TVS Next Limited

ANNUAL REPORT

for the year ended
March 31, 2025

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Thirtieth Annual Report, together with the audited Balance Sheet as of 31st March 2025.

FINANCIAL RESULTS

Particulars	2024-25	2023-24
	₹ in lakhs	**₹ in lakhs**
Software services, Sales and other income	**7,400.80**	7,551.59
Gross Profit / (Loss) before depreciation	**1,329.88**	1,461.43
Depreciation	**450.56**	450.56
Profit / (Loss) before tax	**740.16**	1,010.87
Add/(Less): Provision for Income Tax	**271.08**	295.75
Add/(Less): Provision for Deferred Tax	**(75.71)**	(30.29)
Profit / (Loss) after tax	**544.79**	745.41
Add/(Less): Other Comprehensive income / (Loss)	**34.87**	(46.61)
Balance carried forward	**579.66**	698.80

TRANSFER TO RESERVES

The Company has not transferred any amounts to reserves during the year 2024 -25.

DIVIDEND

The Board of Directors in its meeting held on March 24, 2025 had approved payment of interim dividend of ₹ 0.34/- per Equity Share (@ 3.4%) on 2,96,61,383 Equity Shares of the Company of face value of ₹ 10/- each fully paid-up aggregating to ₹ 29,66,13,830/- out of the profits for the financial year 2024-2025. Interim dividend was paid to the shareholders as per their shareholding in the Company as on March 24, 2025 (Record Date) The total dividend appropriation for the financial year is ₹ 1,00,84,870.22/-

OPERATIONS

The domestic and export sales were ₹ **2,014.32 lakhs** and ₹ **5,111.12 Lakhs** respectively. The Company achieved a profit of ₹ **544.79 lakhs**.

The Company focuses on offshore and outsourcing operations for clients in India and United States of America.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri R Dinesh, Independent Director, (DIN 0036300) was appointed as an Independent Director effective, Sept 30, 2014. Sri R Dinesh, Independent Director has completed 2 terms as an Independent Director and not eligible for reappointment.

The Board has accepted appreciated his contribution during his tenure with the Company.

Smt. Bhargavi Vangala (DIN: 06950741) has been appointed as an Additional Director effective, September 27, 2024 in the capacity of Non-Executive Independent Director subject to approval by the shareholders in the forthcoming Annual General Meeting.

The Company has received from Smt. Bhargavi Vangala, a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013 and as per Regulation 34(3) he is not debarred or disqualified from being appointed or continuing as Director of the Company by the Ministry of Corporate Affairs or any such statutory authority.

The existing composition of the Company's Board is fully in conformity with the applicable provisions of the Companies Act, 2013.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS UNDER SUBSECTION (6) OF SECTION 149

The Independent Directors have submitted the Declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as stipulated in sub-section (6).

AUDIT COMMITTEE

The Audit Committee comprises of Sri P R Krishnana, Smt Bhargavi Vangala and Sri R Dilip Kumar, all non-executive Directors with Sri R Dinesh as Chairman.

The Audit Committee had met once during the year on 22nd April 2024. All the members attended the meeting.

The role and terms of reference of Audit Committee cover the matters specified for Audit Committee under Section 177 of the Companies Act, 2013.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure I.

BOARD MEETINGS

During the financial year 2024 -25, there were Seven Board meetings, which were held on 22nd April 2024, 06th Jun 2024, 17th July 2024, 27th Sept 2024, 20th Dec 2024, 23rd Jan 2025 and 24th March 2025.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that: -

1. in the preparation of annual accounts, the applicable accounting standards have been followed.
2. appropriate accounting policies have been selected and applied consistently, and judgements and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the

Company and for preventing and detecting fraud and other irregularities.

4. the annual accounts have been prepared on a going concern basis.
5. proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY

Policy for appointment and removal of Director, KMP and Senior Management

Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience criteria of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board, his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel

a) General:

The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.

Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Board shall decide on quantum of sitting fees payable to the Directors including Non- Executive and Independent Directors.

c) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF COMPANIES ACT, 2013

The Company has not given any loans or guarantees covered under the provisions of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 prepared in Form AOC-2 pursuant to clause(h) of sub-section (3) of Section 134 of the Act and rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed vide Annexure II forming part of this report.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company, which have occurred during the financial year 2024 -25.

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO, IN SUCH A MANNER AS MAY BE PRESCRIBED.

The Company has no activity relating to conservation of energy or technology absorption.

The total foreign exchange earned and used are as under:

a) Foreign exchange earned ₹ 5,111.12 lakhs

b) Foreign exchange used ₹ 22.10 Lakhs

RISK MANAGEMENT

The Company had formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Board shall review on a quarterly basis, the risk trend, exposure, potential impact analysis carried out by the management, verify whether the mitigation plans are finalised and up to date, and the progress of mitigation actions are monitored

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with the guidelines prescribed under Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board. The CSR policy, covering the Objectives, Focus Areas, Governance Structure Monitoring and Reporting Framework among others is approved by the Board of Directors.

The Board of Directors of the Company at its meeting held on April 22, 2024 had approved the Corporate Social Responsibility Policy of the Company pursuant to Section 135 of the Companies Act 2013 and relevant rules prescribed therein.

The Policy lays down the criteria for identifying programmes eligible for financial assistance and for determining the quantum of assistance in relation with such programmes. Programmes that are eligible in accordance with the Act and are consistent with the CSR themes of the Company shall be eligible for grants.

CSR themes of the Company include:

1. Children's Education, and

2. Healthcare

CSR programs and estimated expenditures with other details are recommended by the CSR Committee to the Board for approval. All CSR programs are monitored through field visits, comprehensive documentation, and regular interaction with beneficiary Communities.

Details of CSR Expenditure incurred during the year 2024-25:

Name of the Institution / Trust	Amount Spent (₹)
Fortess	2,00,000
Giving Matters Foundation	20,92,500
Team Everest	4,20,000
Total Spent	**27,12,500**

Details of CSR Expenditure spent for the year 2024-25:

Particulars	Amount (₹)
Excess spent carried forward from previous financial year 2023-24	4,01,236
CSR Expenditure required to be Spent for the Financial Year 2024-25	30,77,120
CSR Spent for the Financial Year 2024-25	27,12,500
Excess spent carried forward to next financial year 2024-25	36,616

BOARD EVALUATION

The Nomination and Remuneration Committee (NRC) has laid down the criteria for performance evaluation of independent directors and other directors, Board of Directors and Committees of the Board of Directors. The criteria for performance evaluation cover the areas relevant to their functioning as independent directors or other directors, member of Board or Committees of Board.

Evaluation of all Board members is done by the Board, NRC and Independent Directors on an annual basis with specific focus on the performance and effective functioning of the Board and individual directors. During the year, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual directors. The exercise was carried out through an evaluation process covering various aspects of the Boards' functioning such as composition of the Board and committees, frequency of meetings, administration of meeting, flow of information to the Board, experience and competencies, performance of specific duties and obligations, disclosure of information to stakeholders etc. Separate exercise was carried out to evaluate the performance of individual directors on parameters such as attendance, contribution at the meetings and independent judgment. The directors were satisfied by the evaluation results which reflected the overall engagement of the Board and its Committees.

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

Report on the performance and financial position of each of the subsidiaries, associates and joint venture companies of the Company is prepared and same is enclosed vide Annexure III to this Report.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013.

REGULATORY / COURT ORDERS

During the year 2024 - 25, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

PROCEEDINGS PENDING, IF ANY, UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

The Company has neither filed an application during the year under review nor are any proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at March 31, 2025.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

No such event has occurred during the year under review.

INTERNAL FINANCIAL CONTROLS

The company has internal control procedures and sufficient internal control checks considering the size and nature of its business and the Board of Directors is of the view that those controls are adequate with reference to the financial statements.

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISION OF RULES 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

None of the employees were in receipt of remuneration in excess of the limit prescribed under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants, Chennai (Firm Registration No.101248W/W-100022 with the Institute of Chartered Accountants of India) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on June 15, 2022 for a consecutive period of five years till the conclusion of Annual General Meeting for the financial year 2026 - 27.

MAINTENANCE OF COST RECORDS

Section 148(1) of the Companies Act, 2013 is not applicable to the Company as the Company has not met the specified criteria and hence, the Company is not required to maintain the cost records

DISCLOSURE UNDER THE SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has instituted the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been constituted and is entrusted to redress complaints regarding sexual harassment. No complaint was received during the year 2024 - 25.

Chennai	Vinod Krishnan	R Dilip Kumar
April 22, 2025	Managing Director	Director
	DIN: 00503518	DIN: 00240372

Annexure - I

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2025

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

CIN	U72300TN1994PLC029467
Registration Date	07th December, 1994
Name of the Company	TVS Next Limited (Formerly TVS Infotech Limited)
Category / Sub-Category of the Company	Closely held Public Limited Company
Address of the Registered Office and contact details	98-A, Dr. Radhakrishnan Salai, Mylapore, Chennai – 600 004
Whether listed company	No
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Software Services	6209	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary	% of votes held	Applicable Section
1	Sundram Fasteners Investments Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U65991TN1992PLC022618	Investor Company	11.22%	2(46)
2	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Investor Company	56.43%	2(46)
3	TVS Next Inc 1604 US Highway 130 North Brunswick, New Jersey 08902, United States	Company incorporated in USA	Subsidiary	100%	2(87)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	95,93,989	5	95,93,994	32.35%	95,93,989	5	95,93,994	32.35%	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	11,86,454	1,88,80,935	2,00,67,389	67.65%	11,86,454	1,88,80,935	2,00,67,389	67.65%	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**1,07,80,443**	**1,88,80,940**	**2,96,61,383**	**100%**	**1,07,80,443**	**1,88,80,940**	**2,96,61,383**	**100%**	**Nil**
Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total shareholding (A)=(A)(1)+(A)(2)	**1,07,80,443**	**1,88,80,940**	**2,96,61,383**	**100%**	**1,07,80,443**	**1,88,80,940**	**2,96,61,383**	**100%**	**Nil**
B. Public Shareholding									
1.Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sub-total (B)(1)									
2.Non-Institutions									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Public Shareholding (B) = (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total = A+B+C	**1,07,80,443**	**1,88,80,940**	**2,96,61,383**	**100%**	**1,07,80,443**	**1,88,80,940**	**2,96,61,383**	**100%**	**Nil**

(ii) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundram Fasteners Investments Ltd	33,30,050	11.22%	0.00	33,30,050	11.22%	0.00	-
2	Sundram Fasteners Ltd	1,67,37,344	56.43%	0.00	1,67,37,344	56.43%	0.00	-
3	Usha Krishna	95,93,989	32.35%	0.00	95,93,989	32.35%	0.00	-
	Total	**2,96,61,383**	**100%**	**0.00**	**2,96,61,383**	**100%**	**0.00**	Nil

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	**2,96,61,383**	**99.99%**	**2,96,61,383**	**99.99%**
2.	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-
3.	At the end of the year	**2,96,61,383**	**99.99%**	**2,96,61,383**	**99.99%**

(iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

S. No.	For Each of the Top 10 Shareholders	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	**Mr. Pasupathy**	**1**	**-**	**1**	**-**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	-	1	-
2	At the beginning of the year	**Mrs.Kumari**	**1**	**-**	**1**	**-**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	-	1	-
3	At the beginning of the year	**Mr. R Dilip Kumar**	1	-	1	-
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	-	1	-

S. No.	For Each of the Top 10 Shareholders	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	At the beginning of the year	**Mr. S Meenakshi sundaram**	1	-	1	-
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	-	1	-

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	For Each of the Directors and KMP	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	Mr. R Dilip Kumar, Director	1	-	1	-
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the End of the year		1	-	1	-

V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment) (in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,14,44,575	-	-	2,14,44,575
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	**2,14,44,575**	**-**	**-**	**2,14,44,575**
Change in Indebtedness during the financial year				
* Addition	2,33,93,383	-	-	2,33,93,383
* Reduction	33,33,333	-	-	33,33,333
Net Change	2,00,60,050	-	-	2,00,60,050
Indebtedness at the end of the financial year				
i) Principal Amount	4,15,04,625	-	-	4,15,04,625
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**4,15,04,625**	**-**	**-**	**4,15,04,625**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (₹)
	Name	Vinod Krishnan	
	Designation	Managing Director	
1	Gross salary	168,00,000	168,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	168,00,000	168,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others		
	a) Leave travel concession, once in a year, as per the rules of the Company.	-	-
	b) Payment of premium on personal accident insurance	-	11,017
	c) Company's contribution to provident fund as per the rules of the Company.	-	-
	d) Madras Club Subscription & Entertainment Expense	-	2,87,742
	Total (A)		**170,98,759**
	Ceiling as per the Act		**180,00,000**

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors		Total Amount
				(₹/Lac)
1	Independent Directors	V Bhargavi	S. Srinivasan	
	Fee for attending board committee meetings	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)			
2	Other Non-Executive Directors	R Dilip Kumar		
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total = (1+2)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL
	Overall Ceiling as per the Act	NIL	NIL	NIL

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
	Name	-	-	(₹/Lac)
	Designation	-	-	-
1	Gross salary	-	-	-
		-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

Annexure - II

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.

2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at arms length basis:

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient features of the contracts or arrangements or transactions including the value	Date of approval by the Board	Amount paid as advances, if any
1	Sundram Fasteners Limited	Software Services	1 year	Manage Information Technology(IT) requirements to meets its business expectations in terms of increasing speed to market, increasing performance efficiency with customers, real time inventory management, improving IT connectivity to business, scaling up of IT to align with business growth in phased manner.	22nd April 2024	-
2	TVS Next Inc (Formerly TVS Infotech Inc)	Software Services and Reimbursement of Expenses	1 year	IT Services and Reimbursement of Expenses	22nd April 2024	-
3	TVS Upasana Limited (formerly Upasana Engineering Limited)	Software Services and Reimbursement of Expenses	1 Year	Provision of End to End IT Services including Managing Infrastructure Services, ERP and Application Development services with Life care support.	22nd April 2024	-
4	Sundram Fasteners (Zhejiang) Limited, China	Software Services and Reimbursement of Expenses	1 Year	Provision of End to End IT Services including Managing Infrastructure Services, ERP and Application Development services with Life care support.	22nd April 2024	-

Annexure III

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	TVS Next Inc (Formerly TVS Infotech Inc)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No Change in Reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
4.	Share capital	314.63
5.	Reserves & surplus	312.41
6.	Total assets	2,309.02
7.	Total Liabilities	2,309.02
8.	Investments	NIL
9.	Turnover	6,122.58
10.	Profit before taxation	94.18
11.	Provision for taxation	58.93
12.	Profit after taxation	35.24
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

1. Names of subsidiaries which are yet to commence operations
2. Names of subsidiaries which have been liquidated or sold during the year.

April 22, 2025 CHAIRMAN

INDEPENDENT AUDITORS' REPORT
To the Members of TVS Next Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of TVS Next Limited (the "Company") which comprise the balance sheet as at 31 March 2025, and the statement of profit and loss (including other comprehensive income), statement of changes in equity , statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditors Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors' Responsibilities for the Financial Statements

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

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern .
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

2. A. As required by Section 143(3) of the Act, we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 and that the back-up of the books of account and other relevant books and papers in electronic mode has not been kept on servers physically located in India on a daily basis.

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

   d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.

   f. the observations relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.

   g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

   a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its financial statements -Refer Note 32 to the financial statements.

   b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d. (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 29 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 29 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee; security or the like on behalf of the Ultimate Beneficiaries.

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

   e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with Section 123 of the Act.

   f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operating throughout the year for all relevant transactions recorded in the software. Further, we did not come across any instance of the audit trail feature being tampered with . Additionally, other than the periods where audit trail (ed it log) facility was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

   C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

   In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. As per the provisions of the Act, the excess remuneration paid/payable by the Company has been approved by its shareholders in an Annual General Meeting held during the year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sreenath Neelakandan
Partner
Membership No.: 228342
ICAI UDIN: 25228342BMOWOM5083

Place : Chennai
Date : 22 April 2025

Annexure A to the Independent Auditor's Report on the Financial Statements of TVS Next Limited for the year ended 31 March 2025

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company is a service company, primarily rendering IT services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly return / statements (₹ in lakhs)	Amount of difference	Whether return / statement subsequently rectified
Q1	Book debts	2,106.11	2,044.98	61.13	No
Q2	Book debts	2,717.38	2,572.65	144.73	No

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms or limited liability partnerships during the year. The Company has not made any investments, provided guarantee or security or granted any secured or unsecured loans or secured advances in the nature of loans to other parties during the year.

The Company has given unsecured advances in the nature of loans to other parties during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided advances in the nature of loans to other parties as below:

Particulars	Advances in nature of loans (₹ in lakhs)
Aggregate amount during the year	
Other parties	32.66
Balance outstanding as at balance sheet date	
Other parties	14.83

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions for unsecured advances in the nature of loans granted during the year are, prim a facie, not prejudicial to the interest of the Company. There were no investments made, guarantees provided, security given, secured or unsecured loans or secured advances in the nature of loans provided during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of unsecured advances in the nature of loans given, in our opinion the repayment of principal has been stipulated and the repayments have been regular, wherever applicable. Further, the Company has not given any loans to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of advances in the nature of loans given. Further, the Company has not given any loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the any of the activites of the company. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cessor other statutory dues, which have not been deposited with the appropriate authorities on account of any disputes, other than those mentioned below:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	12.03	FY 2004-07	CESTAT
Goods and Service Act, 2017	Goods and and service tax	8.08	July 2017 to March 2021	Commissioner of GST and Central Excise
Central Service Tax Act	Central Service Tax	0.52*	FY 2008-09	Assessing Officer

*net of ₹ 14.86 lakhs paid under protest

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidary as defined under Companies Act, 2013. The Company does not hold any associate or joint venture as defined under the Companies Act, 2013.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary as defined under Companies Act, 2013. The Company does not hold any associate or joint venture as defined under the Companies Act, 2013.

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based on the information and explanations provided to us, the Company does not have a vigil mechanism and is not required to have a vigil mechanism as per the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.

(b) In our opinion and based on the information and explanations provided to us, the Company does not have an internal audit system and is not required to have an internal audit system as per Section 138 of the Act. Accordingly, clause 3(xiv)(b) of the Order is not applicable.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding of financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

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

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sreenath Neelakandan
Partner
Membership No.: 228342
ICAI UDIN: 25228342BMOWOM5083

Place : Chennai
Date : 22 April 2025

Annexure B to the Independent Auditor's Report on the financial statements of TVS Next Limited for the year ended 31 March 2025

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of TVS Next Limited ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration Number: 101248W/W-100022

S Sreenath Neelakandan
Partner
Membership No.: 228342
ICAI UDIN: 25228342BMOWOM5083

Place : Chennai
Date : 22 April 2025

Balance sheet as at March 31, 2025

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Note	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5A	**753.89**	144.71
Right of use assets	5B	**1,270.51**	346.73
Intangible assets	5C	**56.37**	112.21
Intangible assets under development	5D	**67.04**	24.74
Goodwill	5E	**334.00**	334.00
Financial assets			
- Investments	6	**168.73**	168.73
- Other financial assets	7	**86.89**	114.17
Deferred tax assets, net	8D	**122.28**	58.30
Other tax assets, net	8E	**17.48**	154.41
Other non-current assets	9	**24.57**	24.66
Total non-current assets		**2,901.76**	1,482.66
Current assets			
Financial assets			
- Trade receivables	10	**2,476.63**	1,632.61
- Cash and cash equivalents	11	**5.45**	1.66
- Other financial assets	7	**2,870.13**	3,227.59
Other current assets	9	**31.83**	57.13
Total current assets		**5,384.04**	4,918.99
Total assets		**8,285.80**	6,401.65
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	**2,966.14**	2,966.14
Other equity	12	**2,618.06**	2,139.25
Total equity		**5,584.20**	5,105.39
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	15	**100.00**	-
- Lease liabilities	13	**1,201.70**	171.55
Provisions	14	**215.07**	290.33
Total non-current liabilities		**1,516.77**	461.88
Current liabilities			
Financial liabilities			
- Borrowings	15	**315.04**	214.45
- Lease liabilities	13	**316.74**	189.81
- Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises; and		**30.00**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		**114.61**	41.81
- Other financial liabilities	17	**79.64**	42.46
Other current liabilities	18	**120.00**	149.64
Provisions	14	**176.15**	113.25
Current tax liabilities, net	8E	**32.65**	82.96
Total current liabilities		**1,184.83**	834.38
Total liabilities		**2,701.60**	1,296.26
Total equity and liabilities		8,285.80	6,401.65

Material accounting policies 3 and 4

The notes from 1 to 36 are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

S Sreenath Neelakandan
Partner
Membership No.: 228342

Date: April 22, 2025
Place: Chennai

For and on behalf of the Board of Directors of TVS Next Limited
CIN: U72300TN1994PLC029467

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

G Anand Babu
Chief Financial Officer and Company Secretary
ACS Membership No. 19848

Date: April 22, 2025
Place: Chennai

Statement of profit and loss for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Note	Year ended March 31, 2025	Year ended March 31, 2024
Income			
Revenue from operations	19	**7,125.44**	7,336.76
Other income	20	**275.36**	214.83
Total income		**7,400.80**	7,551.59
Expenses			
Employee benefits expense	21	**5,166.24**	5,395.96
Finance costs	22	**170.07**	54.58
Depreciation and amortisation expenses	23	**589.72**	450.56
Other expenses	24	**734.61**	639.61
Total expenses		**6,660.64**	6,540.71
Profit before tax		**740.16**	1,010.88
Tax expense	8A		
- Current tax		**271.08**	295.75
- Deferred tax		**(75.71)**	(30.29)
Total tax expense		**195.37**	265.46
Profit for the year		**544.79**	745.42
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
(i) Re-measurement (loss) / gains of defined benefit plan		**46.60**	(62.29)
(ii) Income tax relating to items that will not be reclassified to statement of profit or loss		**(11.73)**	15.68
Other comprehensive (loss) / income for the year, net of tax		**34.87**	(46.61)
Total comprehensive income for the period		**579.66**	698.81
Earnings per equity share			
Basic earnings per share (in ₹)	25	**1.84**	2.51
Diluted earnings per share (in ₹)	25	**1.84**	2.51

Material accounting policies 3 and 4

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As per our report of even date attached

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Director
DIN No.: 00240372

G Anand Babu
Chief Financial Officer and Company Secretary
ACS Membership No. 19848

Date: April 22, 2025
Place: Chennai

Statement of changes in equity for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

(a) Equity share capital

Particulars	Note	Amount
Balance at the April 1, 2024	12	**2,966.14**
Changes in equity share capital		-
Balance at the March 31, 2025	12	**2,966.14**
Balance at the April 1, 2023	12	**2,966.14**
Changes in equity share capital		-
Balance at the March 31, 2024	12	**2,966.14**

(b) Other equity

Particulars	Attributable to owners of the Company: Reserves and surplus			
	Retained earnings	Securities premium	Amalgamation adjustment deficit account	Total equity attributable to equity holders of the company
Balances at April 1, 2024	**2,128.06**	**71.19**	**(60.00)**	**2,139.25**
Profit for the year	544.79	-	-	544.79
Other comprehensive income for the year	34.87	-	-	34.87
Total comprehensive income for the year	**579.66**	**-**	**-**	**579.66**
Transactions with owners of the Company				
Dividend (refer note 12A (b))	(100.85)	-	-	(100.85)
Total transactions with owners of the Company	**(100.85)**	**-**	**-**	**(100.85)**
Balance at the March 31, 2025	**2,606.87**	**71.19**	**(60.00)**	**2,618.06**
Balances at April 1, 2023	**1,630.95**	**71.19**	**(60.00)**	**1,642.14**
Profit for the year	745.42	-	-	745.42
Other comprehensive income for the year	(46.61)	-	-	(46.61)
Total comprehensive income for the year	**698.81**	**-**	**-**	**698.81**
Transactions with owners of the Company				
Dividend (refer note 12A (b))	(201.70)	-	-	(201.70)
Total transactions with owners of the Company	**(201.70)**	**-**	**-**	**(201.70)**
Balances at March 31, 2024	**2,128.06**	**71.19**	**(60.00)**	**2,139.25**

Material accounting policies 3 and 4

The notes from 1 to 36 are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
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Firm's registration number: 101248W/W-100022

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G Anand Babu
Chief Financial Officer and Company Secretary
ACS Membership No. 19848

Date: April 22, 2025
Place: Chennai

Statement of Cash flow for the year ended March 31, 2025

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

		Note	Year ended March 31, 2025	Year ended March 31, 2024
A.	**Cash flows from operating activities**			
	Profit before tax		**740.16**	1,010.88
	Adjustments for:			
	Depreciation and amortisation expense	23	**589.72**	450.56
	Finance costs	22	**170.07**	54.58
	Interest income on deposits with bank	20	**(188.56)**	(199.17)
	Interest income on income tax refund	20	**(49.15)**	-
	Interest income on security deposits	20	**(13.83)**	(9.60)
	Loss on sale of property, plant and equipment, net	24	**0.22**	0.49
	Loss allowance on trade receivables	24	**35.46**	41.66
	Unrealised foreign exchange loss/ (gain)		**15.12**	(8.09)
			1,299.21	1,341.31
	Working capital adjustments:			
	Increase in trade receivables and other financial assets		**(965.24)**	(3,122.76)
	Decrease / (increase) in other assets		**25.39**	(28.41)
	Decrease/ (increase) in trade payables and other financial liabilities		**137.69**	(18.60)
	(Decrease) / increase in other liabilities		**(29.64)**	10.86
	Increase in provisions		**34.24**	52.07
	Cash generated from / (used in) operating activities		**501.65**	(1,765.53)
	Income tax paid, net		**(135.33)**	(247.01)
	Net cash from / (used in) operating activities (A)		**366.32**	(2,012.54)
B.	**Cash flow from investing activities**			
	Acquisition of property, plant and equipment (including intangible assets under development and capital creditors)		**(806.67)**	(77.70)
	Proceeds from sale of property, plant and equipment		**-**	4.39
	Bank deposits with maturity more than three months but upto 12 months		**345.66**	2,262.21
	Interest received		**311.94**	145.33
	Net cash generated from (used in) investing activities (B)		**(149.07)**	2,334.23
C.	**Cash flow from financing activities**			
	Finance cost paid		**(24.76)**	(6.70)
	Principal payment of lease liabilities		**(145.60)**	(268.73)
	Interest payment of lease liabilites		**(142.85)**	(45.48)
	Dividend paid		**(100.85)**	(201.70)
	Proceeds from long term borrowings		**200.00**	-
	Repayment of long term borrowings		**(33.33)**	-
	Proceeds from short term borrowings, net		**33.93**	201.55
	Net cash used in financing activities (C)		**(213.46)**	(321.06)
D.	**Net changes in cash and cash equivalents (A+B+C)**		**3.79**	0.63
E.	Cash and cash equivalents at the beginning of the year		**1.66**	1.03
F.	**Cash and cash equivalents at the year end**		**5.45**	1.66
	Reconciliation of the cash and cash equivalents as per the cash flow statement			
	Balances with banks in current accounts		**5.45**	1.66
	Deposits with original maturity of less than 3 months		**-**	-
		11	**5.45**	1.66

Significant accounting policies — 3 and 4

The notes from 1 to 36 are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

S Sreenath Neelakandan
Partner
Membership No.: 228342

Date: April 22, 2025
Place: Chennai

For and on behalf of the Board of Directors of TVS Next Limited
CIN: U72300TN1994PLC029467

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

G Anand Babu
Chief Financial Officer and Company Secretary
ACS Membership No. 19848

Date: April 22, 2025
Place: Chennai

1. Corporate information

TVS Next Limited (formerly known as TVS Infotech Limited) ("the Company") is a public limited company incorporated in India and is a subsidiary of Sundram Fasteners Limited, Chennai. The Company was incorporated under the provisions of the Companies Act, 1956 and the registered office of the Company is situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004. 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) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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.

The financial statements for the year ended March 31, 2025 (including comparatives) are approved for issue by the Board on April 22, 2025.

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

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.) which is the Company's functional currency. All amounts have been presented in lakhs of Indian Rupees (Rs.), except share data and as otherwise stated.

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
Net defined benefit asset/ (liability)	Fair value of plan assets less present value of defined benefit obligations

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 is included in the following notes:

- Note 3.6: Leases - whether an arrangement contains a lease;
- Note 3.9: Provision for income taxes and related tax contingencies

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 3.8: Impairment test on financial and non-financial assets; key assumptions underlying recoverable amounts;
- Note 3.10: measurement of defined benefit obligation; key actuarial assumptions;
- Note 3.11: 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).

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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

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

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it is not available, the management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (also refer note 27). 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

Based on the time involved between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

3. Summary of material accounting policies

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

1. Revenue recognition

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

1.1 Sale of services:

Revenue on time and material contracts are recognized as the related services are performed and revenue from the end of the last invoicing to the reporting date is recognized as unbilled revenue. 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.

1.2 Interest and dividend income:

Dividend income is recognised in statement of profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2. Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognised as asset if, and only if it is probable that future economic benefits associated with an item will flow to the Company and cost of such item can be measured reliably.

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. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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 and the cost of the item can be measured reliably.

2.3 Depreciation:

a. Depreciation is recognized on a straight-line basis, over useful life of buildings and other equipment as prescribed under Schedule II of Companies Act, 2013, except in respect of certain assets, where useful life is different from those prescribed under Schedule II.

b. Depreciation on property, plant and equipment is charged over the estimated useful life of the asset on straight-line method, in accordance with Schedule II to the Companies Act, 2013.

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

Asset category	Management estimate of useful life (in years)
Computer equipment	3, 5 and 6
Furniture and fixtures	10
Office equipment	5
Leasehold Improvements	7
Vehicles	8

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

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

g. 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. Intangible assets and research and development expenditure

Intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

3.1 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in statement of profit and loss as incurred.

3.2 Amortisation

Intangible assets comprising of computer software are amortised on a straight-line basis over the estimated useful life of 3 years. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if necessary, for each reporting period. Goodwill is not amortised.

3.3 Research and development expenditure

Expenditure are mainly on research activities is recognised in statement of profit or loss as incurred. Development expenditure is capitalised as part of the resulting intangible asset only if the expenditure can be reliably measured, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

4. Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

5. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognized in statement of profit and loss.

6. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Assets held under leases

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from external financing sources that reflects the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in –substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Company presents right-of-use assets which does not meet the definition of investment property and lease liabilities separately on the face of the balance sheet.

Short term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

7. Financial instruments

7.1 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.

7.2 Financial assets

7.2.1 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)

i. 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.

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

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

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

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

iii. 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

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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.

7.2.2 Derivative financial instruments and hedge accounting

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

7.2.3 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

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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.

7.3 Financial Liabilities

7.3.1 Classification of financial liabilities

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

7.3.2 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.

7.3.3 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.

7.4 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.

8. Impairment

8.1 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 more than 90 days past due.

8.1.1 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).

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

8.1.2 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.

8.1.3 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.

8.2 Impairment of non-financial assets

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

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

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

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

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

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

9. 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.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

<u>Current tax</u>

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.

<u>Deferred tax</u>

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that
  - o is not a business combination; and
  - o at the time of transaction
  - (i) affects neither accounting nor taxable profit or loss; and
  - (ii) does not give rise to equal taxable and deductible temporary differences
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

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

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

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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

a. Short term employee benefit obligations:

Short-term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Other long-term employee benefit obligations:

Accumulated absences expected to be carried forward beyond twelve months is treated as long-term employee benefit for measurement purposes. The Company's net obligation in respect of other long-term employee benefit of accumulating compensated absences is the amount of future benefit that employees have accumulated at the end of the year. Such benefit is discounted to determine its present value The obligation is measured annually by qualified actuary using projected unit credit method. Remeasurements are recognised in profit or loss in the period in which they arise.

The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer the settlement for at least twelve months after the reporting date.

c. Post-employment obligation:

The Company operates the following post-employment schemes.

i. Gratuity obligation:

The liability or asset recognised in the balance sheet in respect of these defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of

Notes to financial statements for the year ended 31 March 2025 (Contd.)
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plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the statement of profit and loss.

ii. Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. There areno obligations other than the contribution payable to the fund.

11. **Provisions and contingent liabilities**

a. Provisions

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

b. Onerous contract

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

c. **Contingent liability:**

Contingent liability is a possible obligation arising 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. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

d. Contingent assets:

Contingent asset is not recognised in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

12. 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.

13. Cash and cash equivalents and cash flow statement

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

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

Notes to financial statements for the year ended 31 March 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

14. Segment reporting

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

15. Government grants

Government grants and subsidies are recognised when there is reasonable assurance that conditions attached to them will be complied and grant/subsidy will be received. Government grants relating to income are deferred and recognized in statement of profit and loss over the period necessary to match them with the costs that they intended to compensate and presented in other operating revenues. Grants that compensate the Company for expenses incurred are recognised in profit or loss as other operating revenue on a systematic basis in the periods in which such expenses are recognised.

16. 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.

4. Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

5A Property, Plant and Equipment

	Computers and related equipment	Furniture and fitttings	Office equipments	Leasehold Improvements	Vehicles	Total
Gross block						
As at April 1, 2023	**463.52**	**9.13**	**22.40**	**-**	**0.78**	**495.83**
Additions	32.24	0.65	5.53	-	-	38.42
Disposals	(58.46)	-	(0.89)	-	-	(59.35)
As at March 31, 2024	**437.30**	**9.78**	**27.04**	**-**	**0.78**	**474.90**
Additions	68.31	83.00	1.20	587.11	-	739.63
Disposals	(0.71)	-	-	-	-	(0.71)
As at March 31, 2025	**504.90**	**92.78**	**28.24**	**587.11**	**0.78**	**1,213.81**
Accumulated depreciation						
As at April 1, 2023	**261.36**	**3.14**	**20.92**	**-**	**0.31**	**285.73**
Depreciation	95.18	0.92	2.74	-	0.09	98.93
Disposals	(53.77)	-	(0.70)	-	-	(54.47)
As at March 31, 2024	**302.77**	**4.06**	**22.96**	**-**	**0.40**	**330.19**
Depreciation	85.68	4.97	2.46	37.02	0.09	130.22
Disposals	(0.49)	-	-	-	-	(0.49)
As at March 31, 2025	**387.96**	**9.02**	**25.42**	**37.02**	**0.49**	**459.93**
Net block						
As at March 31, 2024	**134.53**	**5.72**	**4.08**	**-**	**0.38**	**144.71**
As at March 31, 2025	**116.94**	**83.75**	**2.82**	**550.09**	**0.29**	**753.89**

5B Right of use assets

	Buildings	Total
Gross block		
As at April 1, 2023	**796.06**	**796.06**
Additions	-	-
Disposals	-	-
As at March 31, 2024	**796.06**	**796.06**
Additions	1,302.68	1,302.68
Disposals	(217.66)	(217.66)
As at March 31, 2025	**1,881.08**	**1,881.08**
Accumulated depreciation		
As at April 1, 2023	**156.77**	**156.77**
Amortisation	292.56	292.56
Disposals	-	-
As at March 31, 2024	**449.33**	**449.33**
Amortisation	378.90	378.90
Disposals	(217.66)	(217.66)
As at March 31, 2025	**610.57**	**610.57**
Net block		
As at March 31, 2024	**346.73**	**346.73**
As at March 31, 2025	**1,270.51**	**1,270.51**

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

5C Intangible assets

	Internally developed Software	Total
Gross block		
As at April 1, 2023	137.34	**137.34**
Additions	79.72	79.72
Disposals	-	-
As at March 31, 2024	217.06	**217.06**
Additions	24.76	24.76
Disposals	-	-
As at March 31, 2025	**241.82**	**241.82**
Accumulated depreciation		
As at April 1, 2023	45.78	**45.78**
Amortisation	59.07	59.07
Disposals	-	-
As at March 31, 2024	104.85	**104.85**
Amortisation	80.60	80.60
Disposals	-	-
As at March 31, 2025	**185.45**	**185.45**
Net block		
As at March 31, 2024	**112.21**	**112.21**
As at March 31, 2025	**56.37**	**56.37**

5D Intangible assets under development (ITUD)

	Total
As at April 01, 2023	55.00
Additions during the year	49.46
Capitalised during the year	(79.72)
As at March 31, 2024	**24.74**
Additions during the year	67.05
Capitalised during the year	(24.76)
As at March 31, 2025	**67.04**

Ageing of Intangible assets under development

As at March 31, 2025

ITUD	Amount in ITUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	67.05	-	-	-	67.05
Projects temporarily suspended	-	-	-	-	-
Total	**67.05**	**-**	**-**	**-**	**67.05**

As at March 31, 2024

ITUD	Amount in ITUD for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	24.74	-	-	-	24.74
Projects temporarily suspended	-	-	-	-	-
Total	**24.74**	**-**	**-**	**-**	**24.74**

Note: (i) Accordingly to the original plan, the overall cost of the project was assessed to be Rs. 50.00. However the same was subject to reassessment and the budgets were revised to INR 70.00. The project whose completion is overdue is expected to be completed in less than one year.

(ii) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

5E Goodwill

Gross block	**Total**
As at April 1, 2023	**334.00**
Additions	-
Disposals	-
As at March 31, 2024	**334.00**
Additions	-
Disposals	-
As at March 31, 2025	**334.00**
Accumulated amortisation	
As at April 1, 2023	**-**
For the year	-
Disposals	-
As at March 31, 2024	**-**
For the year	-
Disposals	-
As at March 31, 2025	**-**
Net block	
As at March 31, 2024	**334.00**
As at March 31, 2025	**334.00**

Note:

The goodwill had arised in an earlier year pursuant to amalgamation of its subsidiary TVS Next Private Limited with that of the Company. Till such merger, the Company had a limited customer base which expanded pursuant to such merger. Such goodwill accounted in these financial statements related to its acquisition of such erstwhile subsidiary from a third party and is being subjected to annual impairment testing by the Company. Based on such assessment performed, there were no impairment indicators identified during the year ended March 31, 2025 and March 31, 2024.

	As at March 31, 2025	As at March 31, 2024
6 Investments		
Investments in equity instruments measured at cost		
Investment in subsidiary		
Foreign :		
20,000 (March 31, 2024: 20,000) non-assessable shares of USD 1 each and 34,817 (March 31, 2024: 34,817) non- assessable shares of USD 10 each in TVS Next Inc., Michigan, USA (% of holding - 100%)	**168.73**	168.73
	168.73	168.73
Aggregate value of unquoted investments	**168.73**	168.73
Aggregate amount of impairment in value of investments	**-**	-

7 Other Financial Assets

(Unsecured considered good unless otherwise stated)

	As at March 31, 2025		As at March 31, 2024	
	Non-current	**Current**	Non-current	Current
Deposit with bank having original maturity more than 12 months	**-**	**2,703.37**	-	3,049.03
Security deposits	**86.89**	**138.18**	114.17	37.71
Interest accrued on fixed deposits	**-**	**13.75**	-	137.13
Advance given to employees	**-**	**14.83**	-	3.72
	86.89	**2,870.13**	114.17	3,227.59

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

		Year ended March 31, 2025	Year ended March 31, 2024
8	**Income Tax**		
A	**Amount recognised in statement of profit and loss**		
	Current tax (a)	**271.08**	295.75
	Deferred tax - Attributable to origination and reversal of temporary differences (b)	**(75.71)**	(30.29)
	Tax expense (a) + (b)	**195.37**	265.46

B Income tax recognised in other comprehensive income

Particulars	As at March 31, 2025			As at March 31, 2024		
Income tax relating to items that will not be reclassified to profit or loss	**Before tax**	**Tax expense**	**Net of tax**	Before tax	Tax benefit	Net of tax
Remeasurements of defined benefit plan	46.60	(11.73)	34.87	(62.29)	15.68	(46.61)

C Reconciliation of effective tax rate

Particulars	Year ended March 31, 2025		Year ended March 31, 2024	
	%	**Amount**	%	Amount
Profit before tax		**740.16**		1,010.88
Tax using the Company's domestic tax rate	**25.17%**	**186.28**	25.17%	254.42
Effect of:				
- Expenses / provision not deductible in determining taxable profit	**1.33%**	**9.85**	1.04%	10.53
- Other adjustments	**(0.10%)**	**(0.76)**	0.05%	0.51
Effective tax rate / current tax expense	**26.40%**	**195.37**	26.26%	265.46

D Recognised deferred tax assets and liabilities

Particulars	Deferred tax assets		Deferred tax liabilities		Net deferred tax assets/ (liabilities)	
	As at March 31, 2025	As at March 31, 2024	**As at March 31, 2025**	As at March 31, 2024	**As at March 31, 2025**	As at March 31, 2024
Property, plant and equipment and intangible assets including goodwill	**-**	-	**61.76**	65.54	**(61.76)**	(65.54)
Lease liabilities	**382.14**	90.95	**-**	-	**382.14**	90.95
Right-of-use assets and security deposits	**-**	-	**319.38**	83.40	**(319.38)**	(83.40)
Provision for employee benefits (including bonus)	**104.49**	107.60	**-**	-	**104.49**	107.60
Loss allowance on trade receivables	**13.22**	8.69	**-**	-	**13.22**	8.69
Others	**3.57**	-	**-**	-	**3.57**	-
	503.42	207.24	**381.14**	148.94	**122.28**	58.30

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

8 Income Tax (Contd.)

Movement in temporary differences for the year ended March 31, 2025

Particulars	**Balance as at April 1, 2024**	**Recognized in profit and loss**	**Recognized in OCI**	**Balance as at March 31, 2025**
Property, plant and equipment and intangible assets including goodwill	**(65.54)**	**3.78**	**-**	**(61.76)**
Lease liabilities	**90.95**	**291.19**	**-**	**382.14**
Right-of-use assets and security deposits	**(83.40)**	**(235.98)**	**-**	**(319.38)**
Provision for employee benefits (including bonus)	**107.60**	**8.62**	**(11.73)**	**104.49**
Loss allowance on trade receivables	**8.69**	**4.53**	**-**	**13.22**
Others	**-**	**3.57**	**-**	**3.57**
	58.30	**75.71**	**(11.73)**	**122.28**

Movement in temporary differences for the year ended March 31, 2024

Particulars	Balance as at April 1, 2023	Recognized in profit and loss	Recognized in OCI	Balance as at March 31, 2024
Property, plant and equipment and intangible assets including goodwill	(74.86)	9.32	-	(65.54)
Lease liabilities	158.58	(67.63)	-	90.95
Right of use assets and security deposits	(154.62)	71.22	-	(83.40)
Provision for employee benefits (including bonus)	76.81	15.11	15.68	107.60
Loss allowance on trade receivables	5.80	2.89	-	8.69
Expenditure under section 35DD of Income-tax Act, 1961	0.62	(0.62)	-	-
	12.32	30.29	15.68	58.30

	As at March 31, 2025		As at March 31, 2024	
	Non- current	**Current**	Non-current	Current
E Other tax assets and liabilities				
Advance tax and tax deducted at source	**17.48**	**-**	154.41	-
Provision for taxation, net	**-**	**32.65**	-	82.96
	17.48	**32.65**	154.41	82.96

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

9 Other Assets	As at 31 March 2025		As at 31 March 2024	
	Non-current	**Current**	Non-current	Current
Prepaid expenses *	**8.91**	**25.93**	9.00	54.52
Balance with statutory/government authorities	**15.66**	**-**	15.66	-
Advances recoverable	**-**	**2.36**	-	2.34
Advances to suppliers	**-**	**3.54**	-	0.27
	24.57	**31.83**	24.66	57.13

* also refer Note 30.

	As at March 31, 2025	As at March 31, 2024
10 Trade receivables		
Trade receivables considered good - Secured	**-**	-
Trade receivables considered good - Unsecured	**2,529.09**	1,667.07
Trade receivables which have significant increase in credit risk	**-**	-
Trade receivables credit impaired	**-**	-
Total trade receivables	**2,529.09**	1,667.07
Less: Loss allowance	**(52.46)**	(34.46)
Net trade receivables	**2,476.63**	1,632.61
Of the above, trade receivables from related parties are as below:-		
Total trade receivables from related parties (refer note 26)	**1,656.93**	1,069.58
Loss allowance	**-**	-
Net trade receivables	**1,662.54**	1,069.58
Movement in loss allowance on trade receivables		
Opening balance	**34.46**	22.98
Loss allowance	**35.46**	41.66
Amount written off	**(17.46)**	(27.34)
Exchange difference	**-**	(2.84)
Closing balance	**52.46**	34.46

The Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in note 27.

10 (a) Ageing schedule

As at March 31, 2025

Particulars		**Outstanding for following periods from the due date of payment**						
	Unbilled dues	**Not due**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables								
(i) Considered good	547.12	1,096.93	667.17	216.27	1.60	-	-	2,529.09
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Total	**547.12**	**1,096.93**	**667.17**	**216.27**	**1.60**	**-**	**-**	**2,529.09**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

10 Trade receivables (Contd.)

As at March 31, 2024

Particulars		**Outstanding for following periods from the due date of payment**						
		Not due	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables								
(i) Considered good	576.13	944.02	130.63	14.34	1.95		-	1667.07
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Total	**576.13**	**944.02**	**130.63**	**14.34**	**1.95**	**-**	**-**	**1,667.07**

	As at March 31, 2025	As at March 31, 2024
11 Cash and Cash Equivalents		
Balances with banks in current accounts	**5.45**	1.66
	5.45	1.66

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2025	As at March 31, 2024
12 Share capital		
Authorised		
32,010,000 (March 31, 2024: 32,010,000) equity shares of ₹ 10/- each	**3,201.00**	3,201.00
	3,201.00	**3,201.00**
Issued, subscribed and fully paid up		
29,661,383 (March 31, 2024: 29,661,383) equity shares of ₹ 10/- each	2,966.14	2,966.14
	2,966.14	**2,966.14**

(a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2025		As at March 31, 2024	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ₹ 10/- each fully paid up				
At the beginning of the year and at the end of the year	**29,661,383**	**2,966.14**	29,661,383	2,966.14

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The equity shareholders are entitled to receive dividend as declared from time to time after the same is declared. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

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.

(c) Shareholders holding more than 5% of the aggregate shares in the Company

	As at March 31, 2025		As at March 31, 2024	
Promoter name	No. of shares held	% of total shares	No. of shares held	% of total shares
Mrs. Usha Krishna, Chennai	**9,593,989**	**32.35%**	9,593,989	32.35%
Sundram Fasteners Investments Limited, Chennai #	**3,330,050**	**11.22%**	3,330,050	11.22%
Sundram Fasteners Limited, Chennai, Holding company #	**16,737,344**	**56.43%**	16,737,344	56.43%
At the end of the year	**29,661,383**	**100.00%**	29,661,383	100.00%

Out of equity shares issued by the Company, these equity shares have been held by the holding company and its subsidiaries.

(d) Shares held by promoters at the end of the year

	As at March 31, 2025			As at March 31, 2024		
Promoter name	No. of shares held	% of total shares	% of change during the year	No. of shares held	% of total shares	% of change during the year
Mrs. Usha Krishna, Chennai	**9,593,989**	**32.35%**	**0%**	9,593,989	32.35%	0%
Sundram Fasteners Investments Limited, Chennai	**3,330,050**	**11.22%**	**0%**	3,330,050	11.22%	0%
Sundram Fasteners Limited, Chennai, Holding company	**16,737,344**	**56.43%**	**0%**	16,737,344	56.43%	0%

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

12 Share capital (Contd.)

(e) There are no bonus shares or buy-back of shares or shares issued for consideration other than cash during a period of five years immediately preceding financial year ended March 31, 2025 and March 31, 2024.

(f) Capital management

The Company' s capital management objectives are to ensure the Company's ability to continue as a going concern and to provide an adequate return to shareholders by pricing products and services that are commensurate with the level of risk.

For the purpose of Company's capital management, capital includes issued equity share capital and borrowings obtained from external agencies including banks and financial institutions. The primary objective of 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. The amount managed as capital by the Company for the reporting periods are summarized as follows:

Particulars	**As at March 31, 2025**	As at March 31, 2024
Borrowings	**415.04**	214.45
Cash and cash equivalents	**(5.45)**	(1.66)
Net debt (a)	**409.59**	212.79
Total equity	**5,584.20**	5,105.38
Total equity (b)	**5,584.20**	5,105.38
Net debt to total equity (a/b *100)	**7.33%**	4.17%

12A Other Equity

(a) Nature and purpose of reserves

(i) Securities premium

Securities premium is used to record the premium on issue of equity shares. These reserve are to be utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

(ii) Amalgamation adjustment deficit account

Amalgamation adjustment deficit account consists balance arising pursuant to amalgamation of a wholly owned subsidiary with the Company.

(b) Dividends

The following dividends were declared and paid by the Company during the year:

	As at March 31, 2025	As at March 31, 2024
Interim dividend of ₹ 0.34/- (March 31, 2024: ₹ 0.68/-) per equity share for the respective years	**100.85**	201.70

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

13 Lease liabilities	As at March 31, 2025		As at March 31, 2024	
	Non-current	**Current**	Non-current	Current
Lease liabilities (also refer note 28)	**1,201.70**	**316.74**	171.55	189.81
	1,201.70	**316.74**	171.55	189.81

14 Provisions	As at March 31, 2025		As at March 31, 2024	
	Non-current	**Current**	Non-current	Current
Provision for employee benefits				
Gratuity (refer note (a) below)	**186.69**	**156.17**	246.15	88.77
Compensated absences (refer note (b) below)	**28.38**	**19.98**	44.18	24.48
	215.07	**176.15**	290.33	113.25

The post-employment defined benefit plans operated by the Company are as follows;

(a) Gratuity

The Company has its defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under this legislation, employees who have completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/ termination age. The gratuity plan is a funded plan and the Company makes its contributions to a recognised fund in India. The Company measures the liability based on an independent actuarial valuation using projected units credit method.

The following tables summarise components of net benefit expenses recognised in statement of profit and loss and funded status and amounts recognised in balance sheet.

	As at March 31, 2025	As at March 31, 2024
Defined benefit obligation as at the end of the year	**349.92**	341.53
Fair value of plan assets as at the end of the year	**(7.07)**	(6.61)
Net defined benefit obligations as at the end of the year	**342.86**	334.92
Classification		
- Current	**156.17**	88.77
- Non current	**186.69**	246.15
Changes in present value of the defined benefit obligation		
Defined benefit obligation at the beginning of the year	**341.53**	247.12
Current service cost	**64.39**	46.30
Interest cost	**23.41**	18.83
Benefits paid	**(32.72)**	(33.01)
Actuarial loss (gain) / loss	**(46.68)**	62.29
Defined benefit obligation as at the end of the year	**349.92**	341.53
Changes in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	**6.61**	5.90
Expected return on plan assets	**0.48**	0.44
Mortality charges and taxes	**(0.02)**	(0.24)
Contribution by employer	**0.07**	0.44
Actuarial loss (loss) / gain	**(0.08)**	0.08
Fair value of plan assets as at the end of the year	**7.06**	6.61

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

14 Provisions (Contd.)

	As at March 31, 2025	As at March 31, 2024
Expense recognised in statement of profit and loss:		
Current service cost	**64.39**	46.30
Interest cost, net	**22.95**	18.63
	87.34	64.93
Re-measurements recognised in other comprehensive income		
Actuarial (gain) / loss on plan assets	**0.08**	(0.08)
Actuarial losses / (gain) on defined benefit plan	**(46.68)**	62.29
	(46.60)	62.21
Principal actuarial assumptions used :		
Discount rate	**6.50%**	7.20%
Salary escalation rate	**10.00%**	10.00%
Attrition rate	**37.00%**	47.00%

The estimates of future salary increases, considered in actuarial valuation takes into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.

As at March 31, 2025, the weighted average duration of the defined benefit obligation is 2.9 years (March 31, 2024: 3.81 years)

Funding

The Company expects to pay ₹ 10.00 in contributions to its defined benefit plans in 2025-26

A quantitative sensitivity analysis for significant assumptions as at the reporting dates are as follows:-

	March 31, 2025		March 31, 2024	
	Increase	Decrease	Increase	Decrease
Discount rate				
Sensitivity level	**0.50%**	**0.50%**	0.50%	0.50%
Impact on defined benefit obligation	**(3.63)**	**3.72**	(3.53)	3.59
Salary escalation rate				
Sensitivity level	**0.50%**	**0.50%**	0.50%	0.50%
Impact on defined benefit obligation	**2.32**	**(2.28)**	1.97	(1.96)
Attrition rate				
Sensitivity level	**0.50%**	**0.50%**	0.50%	0.50%
Impact on defined benefit obligation	**(0.52)**	**0.54**	(0.60)	0.62

(b) Compensated absences

The Company's net obligation in respect of compensated absences is the amount of future benefit that employees have earned in return for their service in current and prior periods; that benefit is discounted to determine its present value, and fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method.

	Year ended March 31, 2025	Year ended March 31, 2024
Recognised in the statement of profit and loss:		
Current service cost	**33.61**	28.53
Interest cost	**3.66**	2.84
Net actuarial loss / (gain) recognised	**(21.81)**	6.47
	15.46	37.84

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
15 Borrowings	**Non-current**	**Current**	**Non-current**	**Current**
a) **Secured**				
Term loan from banks (refer note 1)	**100.00**	66.67	**-**	-
Working capital loan from bank (refer note 2)	**-**	248.37	**-**	214.45
	100.00	315.04	**-**	214.45

Information about Company's exposure to interest rate is disclosed in Note 27.

Working capital loan from banks

1. The Company has availed term loans aggregating to ₹ 200.00 from a bank during the current year, carrying interest rates based on MCLR rates in the range of 9.20% to 9.25%, whereby the principal amount of the loan is repayable over 12 equal quarterly instalment of ₹ 16.67, in addition to interest. The loan is secured by way of a charge against the movable fixed assets of the Company.
2. The Company has availed various working capital facilities from banks carrying interest rates based on MCLR rates in the range of 9.20% to 9.25% (March 31, 2024: 9.20% to 9.65%). The facilities are repayable on demand and is secured by current assets of the Company. Short term loans availed have not been utilised for long term purposes by the Company.
3. Quarterly returns or statements of current assets filed by the Company for the sanctioned working capital loans with banks or financial institutions along with reconciliations and reasons for differences are tabulated in the below table:

Quarter end	Particulars	Amount as per books of account	Amount as per quarterly statements	Difference	Reason for differences	Whether subsequently rectified ?
Q1	Book debts	2106.11	2044.98	61.13	Differences arising is on account of adjustments made in connection with book closure process	No
Q2	Book debts	2717.38	2572.65	144.73		No

4. The Company has not been declared as a willful defaulter by any bank or financial institution or government or government authority.

(b) Reconciliation of cash flows from financing activities

Particulars	Lease liabilities	Retained earnings	Borrowings	Total
Balance as at April 1, 2024	**361.36**	**2,128.06**	**214.45**	**2,703.86**
Changes from financing cash flows				
Dividend paid	-	(100.85)	-	(100.85)
Finance cost paid	(142.85)	-	(24.78)	(167.64)
Proceeds from long term borrowings	-	-	200.00	200.00
Repayment of long term borrowings	-	-	(33.33)	(33.33)
Proceeds from short term borrowings, net	-	-	33.93	33.93
Principal repayment of lease liabilities	(145.60)	-	-	(145.60)
Total changes from financing cash flows	(288.45)	(100.85)	175.81	**(213.49)**
Other changes				
Liability related				
Finance cost for the year	142.85	-	24.78	167.64
Equity related	-	579.66	-	579.66
Balance as at March 31, 2025	1,518.44	2,606.87	415.04	**4,540.35**

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Particulars	Lease liabilities	Retained earnings	Borrowings	Total
As at April 1, 2023	**630.09**	**1,630.95**	**12.90**	**2,273.94**
Changes from financing cash flows				
Dividend paid	-	(201.70)	-	(201.70)
Finance cost paid	(45.48)	-	(6.70)	(52.18)
Proceeds from borrowings, net	-	-	201.55	201.55
Principal repayments of lease liabilities	(268.73)	-	-	(268.73)
Total changes from financing cash flows	**(314.21)**	**(201.70)**	**194.85**	**(321.06)**
Other changes				
Liability related				
Finance cost for the year	45.48	-	6.70	52.18
Equity related	-	698.81	-	698.81
Balance as at March 31, 2024	**361.36**	**2,128.06**	**214.45**	**2,703.86**

	As at March 31, 2025	As at March 31, 2024
16 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note below)	**30.00**	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	**114.61**	41.81
	144.61	41.81
Of the above, trade payable to related parties (refer note 26)	**5.48**	**5.40**

All trade payables are current. The Company's exposure to liquidity risks related to trade payables is disclosed in note 27.

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development ('MSMED') Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting dates have been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	As at March 31, 2025	As at March 31, 2024
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	**30.00**	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	**-**	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**-**	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	**-**	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

16 Trade payables (Contd.)

16 (a) Ageing schedule

As at March 31, 2025

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	**5.52**	**24.48**	**-**	**-**	**-**	**30.00**
(ii) Others	**7.04**	**79.23**	**5.51**	**-**	**-**	**91.78**
Disputed dues						
(i) MSME	**-**	**-**	**-**	**-**	**-**	**-**
(ii) Others	**-**	**-**	**-**	**-**	**-**	**-**
Unbilled dues	**22.83**	**-**	**-**	**-**	**-**	**22.83**
Total	**35.39**	**103.71**	**5.51**	**-**	**-**	**144.61**

As at March 31, 2024

Particulars	Outstanding for following periods from the due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	27.60	0.03	-	-	0.09	27.72
Disputed dues						
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	-	-
Unbilled dues	14.09	-	-	-	-	14.09
Total	41.69	0.03	-	-	0.09	41.81

	Particulars	As at March 31, 2025	As at March 31, 2024
17	**Other financial liabilities**		
	Financial liabilities at amortised cost		
	Payable towards purchase of capital goods		
	- Total outstanding dues of micro enterprises and small enterprises; and	**11.58**	-
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	**-**	11.40
	Employee benefits payable	**65.60**	31.06
	Interest accrued but not due on borrowings	**2.46**	-
		79.64	42.46
18	**Other current liabilities**		
	Statutory dues	**115.32**	144.97
	Other payables	**4.68**	4.67
		120.00	149.64

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	Year ended March 31, 2025	Year ended March 31, 2024
19 Revenue from operations		
Rendering of services	7,125.44	7,336.76

(a) Disaggregation of revenue from contracts with customers

The table below presents disaggregated revenues from the contracts with the customers by customer markets and contract-type and the company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenue and cash flows are effected by industry, market and other economic factors

Revenue by customer markets		
Exports	**5,111.12**	5,559.43
Domestic	**2,014.32**	1,777.33
	7,125.44	7,336.76

(b) Contract assets and liabilities

The following disclosure provide information about receivables, contract assets and liabilities from contract with customers:

Contract assets		
- Trade receivables (refer note 10)	**2,476.63**	1,632.61
Contract liabilities		
- Advance from customers	**-**	-

	Year ended March 31, 2025	Year ended March 31, 2024
20 Other income		
Interest income on financial assets at amortised cost		
- on deposits with bank	**188.56**	199.17
- on income tax refunds	**49.15**	-
- on security deposit	**13.83**	9.60
Net foreign exchange gain	**23.82**	1.45
Miscellaneous income	**-**	4.61
	275.36	214.83
21 Employee benefits expense		
Salaries and wages	**4,807.38**	5,018.05
Expense related to post-employment benefit (refer note 14)	**87.32**	64.93
Contribution to provident and other funds (refer note below)	**213.55**	226.02
Staff welfare expenses	**57.99**	86.96
	5,166.24	5,395.96

Note: The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employee provident fund, which is a defined contribution plan. The same is charged to statement of profit and loss as and when it is accrued. The amount recognised as expense towards such provident fund contribution aggregated to ₹ 204.83 (March 31, 2024: ₹ 211.78).

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

		Year ended March 31, 2025	Year ended March 31, 2024
22	**Finance costs**		
	Interest expense		
	- on financial liabilities measured at amortised cost	**24.78**	6.70
	- on lease liabilities (refer note 28)	**142.85**	45.48
	- on others	**2.44**	2.40
		170.07	54.58
23	**Depreciation and amortisation expense**		
	Depreciation on property, plant and equipment (refer note 5A)	**130.22**	98.93
	Amortisation on right of use assets (refer note 5B)	**378.90**	292.56
	Amortisation of intangible assets (refer note 5C)	**80.60**	59.07
		589.72	450.56
24	**Other expenses**		
	Power and fuel	**32.09**	3.10
	Rent	**61.13**	34.47
	Rates and taxes	**8.24**	10.51
	Insurance	**75.94**	59.86
	Repairs and maintenance		
	- Building	**25.60**	-
	- Plant and equipment	**18.01**	8.27
	- Other assets	**23.44**	6.85
	Sub-contract expenses	**89.25**	74.33
	Recruitment and training	**49.19**	50.53
	Travelling and conveyance	**106.55**	116.95
	Legal and professional	**38.76**	26.50
	Payments to auditors (refer note below)	**10.10**	9.00
	Postage and telecom expenses	**19.00**	20.51
	Bank charges	**1.79**	1.45
	Loss on sale of property, plant and equipment, net	**0.22**	0.49
	Loss allowance on trade receivables	**35.46**	41.66
	Subscriptions	**86.06**	70.80
	Expenditure on corporate social responsibility (refer note 30)	**31.14**	32.19
	Miscellaneous expenses	**22.64**	72.14
		734.61	639.61
	Note: Payments to auditors		
	As auditor		
	Statutory audit	**7.50**	7.50
	Tax audit	**1.00**	1.00
	In other capacity		
	Other services	**0.50**	0.50
	Reimbursement of expenses	**1.10**	-
		10.10	9.00

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

		Year ended March 31, 2025	Year ended March 31, 2024
25	**Earnings per share (EPS)**		
	Net profit attributable to equity shareholders (A)	**544.79**	745.42
	Weighted average number of equity shares outstanding as at reporting date (B)	**29,661,383**	29,661,383
	Basic earnings per equity share (A/B) (in ₹)	**1.84**	**2.51**

Diluted EPS

The Company does not have any potential equity shares and accordingly basic and diluted EPS would remain the same.

26 Related Parties

Parties are considered to be related if one party has the ability to control other party or exercise significant influence over other party in making financial and operating decisions.

Related parties with whom transactions have taken place during the year:

Nature of relationship	Name of the entity
Ultimate Holding Company	TVS Sundram Fasteners Private Limited, Chennai
Holding Company	Sundram Fasteners Limited, Chennai,
Key Management Personnel ('KMP')	Mr. Vinod Krishnan – Managing Director. Mr. G Anand babu - Chief Financial Officer and Company Secretary
Relatives of Key Management Personnel	Ms. Usha Krishna
Subsidiary Company	TVS Next Inc., USA
Fellow subsidiaries	TVS Upasana Limited, Chennai Sundram Fasteners (Zhejiang) Limited, China Sundram Fasteners Investment Limited, Chennai

The significant related party transactions during the year and outstanding balance as at the reporting date are as follows:

Nature of transaction	Holding company	Subsidiary company	Fellow subsidiary	KMP
Transactions during the year				
Services rendered	980.38	4,854.55	53.63	-
	(856.00)	(4,850.82)	(8.00)	-
Sale of assets	-	-	-	-
	(2.72)	-	(0.42)	-
Reimbursement of expenses	4.98	-	13.33	-
	(4.56)	-	-	-
Dividend paid	56.91		11.32	-
	(113.81)	-	(22.64)	-
Managerial remuneration *	-	-	-	168.00
	-	-	-	(168.00)
Outstanding balances				
Trade receivables	47.89	1,588.96	20.08	-
	(7.33)	(1,057.53)	(4.72)	-
Trade payables	-	5.48	-	-
	(0.09)	(5.31)	-	-

(Previous year figures are in brackets)

Terms and conditions of transactions with related parties

- Transactions with related parties are at arm's length and all the outstanding balances are unsecured.

* Managerial remuneration does not include provision for gratuity, leave encashment, as they are determined on an actuarial basis for the Company as a whole.

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

27 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
Financial assets									
Investments	6	-	-	168.73	168.73	-	-	168.73	168.73
Security deposits	7	-	-	225.06	225.06	-	-	151.88	151.88
Other receivables	7	-	-	14.84	14.83	-	-	3.72	3.72
Deposit with bank having original maturity more than 12 months	7	-	-	2,703.37	2,703.37	-	-	3,049.03	3,049.03
Interest accrued on fixed deposits	7	-	-	13.75	13.75	-	-	137.13	137.13
Trade receivables	10	-	-	2,476.63	2,476.63	-	-	1,632.61	1,632.61
Cash and cash equivalents	11	-	-	5.45	5.45	-	-	1.66	1.66
Total financial assets		**-**	**-**	**5,607.83**	**5,607.83**	**-**	**-**	**5,144.75**	**5,144.75**
Financial liabilities									
Borrowings	15	-	-	415.04	415.04	-	-	214.45	214.45
Trade payables	16	-	-	144.61	144.61	-	-	41.81	41.81
Payable towards purchase of capital goods	17	-	-	11.58	11.58	-	-	11.40	11.40
Interest accrued but not due on borrowings	17	-	-	2.46	2.46	-	-	-	-
Employee benefits payable	17	-	-	65.60	65.60	-	-	31.06	31.06
Total financial liabilities		**-**	**-**	**639.29**	**639.30**	**-**	**-**	**298.71**	**298.71**

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.

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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.

(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 March 31, 2025**	As at March 31, 2024
Floating rate borrowings	**348.37**	214.45
Fixed rate borrowings	**-**	-
Total	**348.37**	214.45

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 March 31, 2025	As at March 31, 2024
Increase	**+1%**	**(0.32)**	(0.21)
Decrease	**-1%**	**0.32**	0.21

(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 and the Company's net investments in foreign subsidiaries.

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. For the purpose of Ind AS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management translated at the closing rate:

	Long-term exposure #		Short-term exposure	
	USD	**GBP**	**USD**	**Euro**
March 31, 2025				
Financial assets	**168.73**	**-**	**1,328.88**	**2.66**
Financial liabilities	**-**	**-**	**-**	**-**
Net exposure	**168.73**	**-**	**1,328.88**	**2.66**
March 31, 2024				
Financial assets	**168.73**	9.74	792.50	11.79
Financial liabilities	**-**	-	5.31	-
Net exposure	**168.73**	9.74	787.19	11.79

consists of investments in subsidiaries measured at cost.

(i) Market risk - Foreign currency risk

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities.

In relation to the fluctuation in the respective currency with 'all other things being equal', if the ₹ had strengthened/ weakened against respective currency by 5% as at year ended March 31, 2025 (March 31, 2024: 5%), then this would have following impact on profit before tax and equity. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

	As at March 31, 2025		As at March 31, 2024	
	Strengthening	**Weakening**	Strengthening	Weakening
	profit / (loss)	**profit / (loss)**	profit / (loss)	profit / (loss)
USD	**(74.88)**	**74.88**	(47.80)	47.80
GBP	**-**	**-**	-	-
EUR	**(0.13)**	**0.13**	(1.08)	1.08
	(75.01)	**75.01**	(48.87)	48.87

(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.

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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*	15	**415.04**	**280.75**	**147.64**	214.45	214.45	-
Trade payables	16	**144.61**	**144.61**	**-**	41.81	41.81	-
Payable towards purchase of capital goods	17	**11.58**	**11.58**	**-**	11.40	11.40	-
Interest accrued but not due on borrowings	17	**2.46**	**2.46**	**-**	-	-	-
Employee benefits payable	17	**65.60**	**65.60**	**-**	31.06	31.06	-
Total financial liabilities		**639.30**	**505.00**	**147.64**	298.71	298.71	-

*

(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	(a)		
- India		**820.55**	473.26
- United States of America		**1,689.31**	1,124.31
- Other regions		**19.23**	35.04
Cash and cash equivalents	(b)	**5.45**	1.66
Security deposits	(c)	**225.06**	151.88
Deposit with bank having original maturity more than 12 months	(b)	**2,703.37**	3,049.03
Interest accrued on fixed deposits	(c)	**13.75**	137.13
Other receivables	(c)	**14.83**	3.72
Total		**5,491.56**	4,976.03

(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.

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. The Company has adopted a practical measure of computing the expected credit loss allowance for trade receivable and other financial assets, which comprise large number of small balances, based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information including considerations for the likelihood of increased credit risk and consequential default on account of the emerging situations. Further, the Company also makes an allowance for doubtful debts on a case to case basis.

The Composition of trade receivable and unbilled revenue balances are as follows:-

Particulars	**Year ended March 31, 2025**				Year ended March 31, 2024			
	Weighted average loss rate	**Gross carrying amount**	**Loss allowance**	**Credit imapired**	Weighted average loss rate	Gross carrying amount	Loss allowance	Credit imapired
Not due	0.11%	1,125.82	1.29	No	1.10%	944.02	10.38	No
1 to 90 days	0.33%	562.92	1.83	No	3.86%	121.67	4.70	No
91 to 180 days	1.93%	75.35	1.44	No	34.68%	8.96	3.10	No
181 to 270 days	7.03%	102.57	7.21	No	37.83%	-	-	No
271 to 365 days	34.39%	113.71	39.09	No	99.94%	14.34	14.32	No
More than 365 days	100.00%	1.59	1.59	No	100.00%	1.95	1.95	No
Sub-total		**1,981.96**	**52.46**			1,090.94	34.45	
Add: Unbilled dues		547.12	-			576.13	-	
Add: Disputed trade receivables		-	-			-	-	
Total trade receivables		**2,529.08**	**52.46**			1,667.06	34.45	

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.

(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.

(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.

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

28 Leases

(a) Right of use assets

Refer note 5B for detailed break-up of right of use assets and depreciation thereon.

	As at March 31, 2025	As at March 31, 2024
(b) Lease liabilities		
Maturity analysis - contractual undiscounted cash flows		
Less than one year	**441.47**	214.71
One to five years	**1,519.09**	178.31
Total undiscounted lease liabilities	**1,960.56**	393.02
Lease liabilities included in the statement of financial position		
Current	**316.74**	189.81
Non-current	**1,201.70**	171.55
(c) Amounts recognised in the statement of profit and loss		
Interest on lease liabilities	**142.85**	45.48
Amortisation of right of use assets (refer note 5B)	**378.90**	292.56
Expenses relating to short-term leases and leases of low-value assets	**61.13**	34.47
	582.88	372.51
(d) Amounts recognised in the statement of cash flows		
Total cash outflow towards lease payments (excluding short-term leases and lease of low value assets)	**288.45**	314.21

29 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.

(iii) The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries other than in the ordinary course of business.

(iv) The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(v) The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Company has complied with the number of layers prescribed under the Companies Act, 2013

(vii) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(viii) The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets or both during current or previous year.

(ix) The Company has not kept the back-up of the books of account and other relevant books and papers in electronic mode on servers physically located in India on a daily basis.

(x) The Company has used an accounting software for maintaining its books of account which has a feature of audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Additionally, other than the periods where audit trail (edit log) facility was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

(xi) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

(xii) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond statutory period.

(xiii) The Company does not have any loans or advances in the nature of loans granted to promoters, directors, KMPs and the related parties either severally or jointly with any person, that are (a) repayable on demand or (b) without specifying any terms or period of repayment.

	Year ended March 31, 2025	Year ended March 31, 2024
30 Expenditure on corporate social responsibility (CSR)		
a) Amount required to be spent by the Company during the year	**29.70**	32.19
b) Amount approved by the Board to be spent by the Company during the year	**27.12**	36.20
c) Amount spent during the year (in cash):		
(i) Construction / acquisition of asset	**-**	-
(ii) On purposes other than (i) above		
a) Healthcare	**-**	29.50
b) Education	**27.12**	6.70
	27.12	36.20
d) Shortfall at the end of the year	**-**	-
e) Total of previous years shortfall	**-**	-
f) Reason for shortfall	**NA**	NA
g) Details of related party transactions	**NA**	NA

Details of excess amount spent:

In case of Section 135(5) of the Companies Act (other than ongoing project)			
Opening balance as at April 01, 2024	Amount required to be spent during the year	Amount spent during the year from the Company's bank account	Closing balance as at March 31, 2025 *
4.01	30.77	27.12	0.36

In case of Section 135(5) of the Companies Act (other than ongoing project)			
Opening balance as at April 01, 2023	Amount required to be spent during the year	Amount spent during the year from the Company's bank account	Closing balance as at March 31, 2024 *
-	32.19	36.20	4.01

* also refer to note 9

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

31 Ratios as per the schedule III requirements

a) Current ratio = Current assets divided by Current liabilities

Particulars	**March 31, 2025**	March 31, 2024
Current assets	**5,384.04**	4,918.99
Current liabilities	**1,184.83**	834.38
Ratio	**4.54**	5.90
% change from previous year	**(22.9%)**	

Reason for change more than 25% : Not applicable

b) Debt-Equity Ratio = Total debt divided by total equity where total debt represents aggregate of current and non-current borrowings

Particulars	**March 31, 2025**	March 31, 2024
Total debt	**415.04**	214.45
Total equity	**5,584.20**	5,105.39
Ratio	**0.07**	0.04
% change from previous year	**76.9%**	

Reason for change more than 25% : Change attributable to increase in external borrowings.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by total interest and principal repayments

Particulars	**March 31, 2025**	March 31, 2024
Profit after tax	**544.79**	745.42
Add: Depreciation and amortisation expense	**589.72**	450.56
Add: Finance cost	**170.07**	54.58
Earnings available for debt services	**1,304.58**	1,250.56
Interest payment on borrowings	**24.78**	6.70
Principal repayments	**33.33**	-
Lease payments	**288.45**	314.21
Total interest and principal repayments	**346.56**	320.91
Ratio	**3.76**	3.90
% change from previous year	**(3.4%)**	

Reason for change more than 25% : Not applicable

d) Return on Equity ratio = Profit after tax divided by average shareholder's equity

Particulars	**March 31, 2025**	March 31, 2024
Profit after tax	**544.79**	745.42
Average shareholder's equity (refer note below)	**5,344.80**	4,856.84
Ratio	**10.19%**	15.35%
% change from previous year	**(33.6%)**	

Reason for change more than 25% : Change is attributable to decrease in profitability levels.

Note: Average shareholder's equity = (Total shareholder's equity as at beginning of respective year + total shareholder's equity as at end of respective year) / 2.

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

31 Ratios as per the schedule III requirements (Contd.)

e) Inventory turnover ratio is not applicable since the Company does not have any inventory.

f) Trade receivables turnover ratio = Sales divided by average trade receivables

Particulars	March 31, 2025	March 31, 2024
Turnover (refer note 1 below)	**7,125.44**	7,336.76
Average trade receivables (refer note 2 below)	**2,054.62**	1,611.79
Ratio	**3.47**	4.55
% change from previous year	**(23.8%)**	

Reason for change more than 25% : Not applicable

Note:
1. Turnover represents revenue from operations.
2. Average trade receivables = (Total trade receivables as at beginning of respective year + total trade receivables as at end of respective year) / 2

g) Trade payables turnover ratio = Purchases divided by average trade payables

Particulars	March 31, 2025	March 31, 2024
Other expenses	**734.61**	639.61
Average trade payables (refer note 2 below)	**78.21**	52.65
Ratio	**9.39**	12.15
% change from previous year	**(22.7%)**	

Reason for change more than 25% : Not applicable

Note: Average trade payables = (Trade Payables as at beginning of respective year + Trade Payables as at end of respective year) divided by 2.

h) Net capital turnover ratio = Revenue from operations divided by workings capital

Particulars	March 31, 2025	March 31, 2024
Revenue from operations	**7,125.44**	7,336.76
Workings capital (refer note below)	**4,199.21**	4,084.61
Ratio	**1.70**	1.80
% change from previous year	**(5.5%)**	

Reason for change more than 25% : Not applicable

Note: Working capital = Current assets - Current liabilities

i) Net profit ratio = Net profit after tax divided by Revenue from operations

Particulars	March 31, 2025	March 31, 2024
Net profit after tax	**544.79**	745.42
Revenue from operations	**7,125.44**	7,336.76
Ratio	**7.65%**	10.16%
% change from previous year	**(24.7%)**	

Reason for change more than 25% : Not applicable

(All amounts are in lakhs of Indian Rupees, except share data and as stated)

31 Ratios as per the schedule III requirements (Contd.)

j) Return on Capital employed = Earnings before interest and taxes (EBIT) divided by capital employed

Particulars	**March 31, 2025**	March 31, 2024
Profit before interest and taxes	**910.23**	1,065.46
Capital employed (refer note 2 below)	**7,395.40**	5,622.90
Ratio	**12.31%**	18.95%
% change from previous year	**(35.0%)**	

Reason for change more than 25% : Change attributable to decrease in profits after tax and increase in external borrowings.

Note: 1. Profit before interest and taxes = Profit before tax + finance costs

2. Capital employed = Total equity + Total debt - Deferred tax assets + Lease liabilities

k) Return on investments ratio

Particulars	**March 31, 2025**	March 31, 2024
Interest income	**188.56**	199.17
Average balance in fixed deposits	**2,876.20**	2,655.62
Return on investment ratio	**6.56%**	7.50%
% change from previous year	**(12.6%)**	

Reason for change more than 25% : Not applicable

Average balance in fixed deposits = (Opening balance in fixed deposits + Closing balance in fixed deposits) divided by 2

32 Contingent liabilities	**As at March 31, 2024**	As at March 31, 2024
Claims against the Company not acknowledged as debts (service tax matters)	**30.94**	22.74
Claims against the Company not acknowledged as debts (others)	**-**	-
On letters of guarantees	**-**	15.59

Note: The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in this financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial positions.

33 Consolidated financial statements

The Company is not consolidating financial statements of its subsidiary pursuant to exemption notified under MCA notification dated July 27, 2016. The holding company viz., Sundram Fasteners Limited, Chennai consolidates the financial statements of TVS Next Inc., USA:

Name of the company	**Principal Activities**	**Country of Incorporation**	**Ownership interest held by the Company**		**Ownership interest held by the non-controlling interests**	
			March 31, 2025	March 31, 2024	**March 31, 2025**	March 31, 2024
TVS Next Inc	Software services	USA	**100.00%**	**100.00%**	0.00%	0.00%

Notes to financial statements for the year ended March 31, 2025 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

34 Segment reporting

The Company is engaged in provision of IT services. The geographical segment information is as below:

Information concerning principal geographic areas is as follows	Year ended March 31, 2025	Year ended March 31, 2025
Rendering of services by location of customers		
a) India	**2,014.32**	1,777.33
b) Americas	**4,991.48**	4,995.98
c) China	**45.63**	-
d) Rest of the world	**74.01**	563.45

35 Events after the reporting period

There are no significant subsequent events that have occurred after the reporting period till the date of this financial statements.

36 Transfer pricing

The management believes that the Company's international transactions with related parties continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on the amount of tax expense and that of provision for taxation.

The notes from 1 to 36 are an integral part of the financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

S Sreenath Neelakandan
Partner
Membership No.: 228342

Date: April 22, 2025
Place: Chennai

For and on behalf of the Board of Directors of TVS Next Limited
CIN: U72300TN1994PLC029467

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

G Anand Babu
Chief Financial Officer and Company Secretary
ACS Membership No. 19848

Date: April 22, 2025
Place: Chennai