TVS Infotech Limited

ANNUAL REPORT

for the year ended
31st March 2017

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty Third Annual Report, together with the audited Balance Sheet as at 31st March 2017.

FINANCIAL RESULTS

	2016-17 **₹**	2015-16 ₹
Software services, Sales and other income	**20,33,81,061**	23,74,85,791
Gross Profit / (Loss) before depreciation	**45,26,558**	(2,79,77,765)
Depreciation	**30,64,769**	40,17,610
Profit / (Loss) before tax	**14,61,789**	(3,19,05,375)
Add/(Less): Provision for Income Tax	**NIL**	NIL
Add / (Less): Provision for Deferred Tax	**56,932**	(7,33,049)
Profit / (Loss) after tax	**14,04,857**	(3,12,62,326)
Add / (Less): Balance brought forward		(12,61,45,277)
Add / (Less): Other Comprehensive income	**59,20,293**	(18,60,744)
Balance carried forward	**73,25,150**	(3,31,23,070)

TRANSFER TO RESERVES

The Company has not transferred any amounts to reserves during the year 2016-2017.

DIVIDEND

The Directors do not recommend any dividend for the year under review.

OPERATIONS

The domestic and export sales were **₹10,27,81,090/-** and **₹ 9,65,82,642/-** respectively. The Company continued to focus on offshore and outsourcing operations for clients in United States of America and Europe.

The Company achieved a profit of **₹ 14,04,857/-**. The Company plans to focus on Digital space and proposes to grow in established markets like United States of America and Europe.

During the year the company sold its SAP division to Ayan Tech Solutions Pvt Ltd for a sum of ₹ 1.16 Crores which was fully received.

During the Company had closed its branches in United Kingdom and The Netherlands in view of lack of business opportunities.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri Satish Kannan had resigned as Chief Executive Officer and Key Managerial Personnel effective 31st August 2016.

Sri Babu Ranganathan had resigned as Chief Financial Officer and Company Secretary effective 31st March 2017. The company is in the process of identifying a person to be appointed as Chief Financial Officer and Company Secretary.

Sri V G Jaganathan, Director resigned from the Board effective 12th September 2016.

Sri R Dilip Kumar was appointed as additional director on 12th September 2016 and his appointment was subsequently confirmed by the shareholders in the AGM held on 16th September 2016.

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

Consequent to the resignation of Sri V G Jaganathan, Director from the board of directors he resigned from the audit committee. Sri R Dilip Kumar who has been appointed as additional director has been appointed a member of audit commit.

The Audit Committee consists of Sri R Dilip Kumar, Sri R Dinesh and Sri G B Prabhat, all non-executive directors with Sri R Dilip Kumar as Chairman.

The Audit Committee had met once during the year on 19th May 2016. 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 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 2016-2017, there were five Board meetings, which were held on 19th May 2016, 12th September 2016, 22nd December 2016, 13th January 2017 and 31st March 2017.

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 loss 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

SALE OF SAP BUSINESS

During the year the company sold its SAP division to Ayan Tech Solutions Pvt Ltd for a sum of Rs.1,16,00,000/- which was fully received.

There were no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

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 ₹ 9,65,82,642

b) Foreign exchange used ₹ 15,68,650.87

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)

Section 135 is not applicable to the company as the company has not met the specified turnover or net worth or profit criteria and hence there is no requirement for the company to undertake CSR activities.

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 2016-2017, 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.

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

The particulars of employees pursuant to the provision of rules 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 is enclosed vide Annexure IV forming part of this report

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai were appointed as Statutory Auditors of the Company at the Annual General Meeting held on September 22, 2014 for a consecutive period of three years commencing from September 22, 2014.

In terms of third proviso under Section 139(2) of the Companies Act, 2013, the tenure of the incumbent Auditors ceases upon the conclusion of ensuing Annual General Meeting.

The Board of Directors place on record their sincere appreciation of the valuable services rendered by M/s Sundaram & Srinivasan, Chartered Accountants, Chennai since inception of the Company as statutory auditors of the Company.

The Board of Directors have recommended the appointment of M/s B S R & Co. LLP, Chartered Accountants, as the statutory auditors of the Company, subject to approval of the shareholders at the ensuing Annual General Meeting. The Company has received consent from M/s B S R & Co. LLP, Chartered Accountants, to serve as statutory auditors of the Company, if they are so appointed.

They have also furnished necessary certificate under Section 141 of the Companies Act, 2013 conveying their eligibility in terms of the number of company audits.

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 2015.

Chennai	VINOD KRISHNAN	R DILIP KUMAR
May 22, 2017	Managing Director	Director

Annexure - I

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2017

[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 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	9983	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary/ Associate	% of votes held	Applicable Section
1	Sundram Fasteners Investments Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U65991TN1992PLC022618	Investor Company	11.69%	2(46)
2	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Investor Company	54.61%	2(46)
3	TVS Infotech Inc 7152, East Independence Blvd. STE#102, Charlotte, North Carolina 28227	Company incorporated in USA	Subsidary	100%	2(87)
4	TVS Next Private Limited (formerly known as Blisslogix Technology Solutions Private Limited) 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U72200TN2008PTC067744	Subsidiary	90%	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)	-	95,93,994	95,93,994	37.73%	-	95,93,994	95,93,994	33.69%	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	1,58,30,050	1,58,30,050	62.26%	-	1,88,80,935	1,88,80,935	66.31%	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		2,54,24,044	2,54,24,044	100%	-	2,84,74,929	2,84,74,929	100%	Nil
Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**Nil**
Total shareholding (A)=(A)(1)+(A)(2)	**-**	**2,54,24,044**	**2,54,24,044**	**100%**	**-**	**2,84,74,929**	**2,84,74,929**	**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	**-**	**2,54,24,044**	**2,54,24,044**	**100**	**-**	**2,84,74,929**	**2,84,74,929**	**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	13.10%	0.00	33,30,050	11.69%	0.00	-1.41%
2	Sundram Fasteners Ltd	1,25,00,000	49.16%	0.00	1,55,50,885	54.61%	0.00	5.45%
3	Usha Krishna	95,93,989	37.73%	0.00	95,93,989	33.69%	0.00	-4.04%
	Total	**2,54,24,039**	**99.99%**	**0.00**	**2,84,74,924**	**99.99%**	**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
	At the beginning of the year	2,54,24,039	99.99%	2,54,24,039	99.99%
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Allotment – 19th May 2016 Sundram Fasteners Limited	30,50,885	99.99%	2,84,74,924	99.99%
	At the end of the year	2,84,74,924	99.99%	2,84,74,924	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	R Narayanan	1	0.00	1	0.00
	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	0.00	1	0.00
2	At the beginning of the year	C S Narasimhulu	1	0.00	1	0.00
	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	0.00	1	0.00
3	At the beginning of the year	R Dilip Kumar*	1	0.00	1	0.00
	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	0.00	1	0.00

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	S Meenakshi sundaram	1	0.00	1	0.00
	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	0.00	1	0.00

(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	V G Jaganathan*, Director	1	0.00	1	0.00
	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	0.00	1	0.00
2	At the beginning of the year	R Dilip Kumar**, Director	1	0.00	1	0.00
	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	0.00	1	0.00

* Sri V G Jaganathan, Director resigned from the Board effective 12th September 2016.

** Sri R Dilip Kumar, Director was appointed as a member of the Board effective 12th September 2016.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,07,633	250,00,000	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	**14,07,633**	**250,00,000**	**-**	**-**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	(14,07,633)	250,00,000	-	-
Net Change	(14,07,633)	(250,00,000)	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**-**	**-**	**-**	**-**

VI. 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 (Rs.)
	Name	Vinod Krishnan	
	Designation	Managing Director	
1	Gross salary	35,43,750	35,43,750
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,43,750	35,43,750
	(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.	46,875	46,875
	b) Payment of premium on personal accident insurance	9,798	9,798
	c) Company's contribution to provident fund as per the rules of the Company.	4,25,250	4,25,250
	d) Madras Club Subscription & Entertainment Expense	26,279	26,279
	Total (A)	40,51,952	40,51,952
	Ceiling as per the Act	41,00,000	41,00,000

B. **Remuneration to other Directors**

S. No.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
1	Independent Directors	R Dinesh	G B Prabhat	
	Fee for attending board committee meetings	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)			
2	Other Non-Executive Directors	V G Jaganathan	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 (B) = (1 + 2)			37,94,042
	Total Managerial Remuneration			37,94,042
	Overall Ceiling as per the Act			41,00,000

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

S. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount (Rs/Lac)
	Name	Satish Kannan*	Babu Ranganathan**	
	Designation	Chief Executive Officer (CEO)	Chief Financial Officer (CFO) AND Company Secretary (CS)	
1	Gross salary	51,54,642	30,56,167	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35,65,240	30,56,167	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15,89,402	–	–
	(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	51,54,642	30,56,167	

* Sri Satish Kannan had resigned as Chief Executive Officer and Key Managerial Personnel effective 31st August 2016.

** Sri Babu Ranganathan had resigned as Chief Financial Officer and Company Secretary effective 31st March 2017.

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					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

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 there to

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 arms 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	19th May 2017, 12th September 2017, 22nd December 2017 and 13th January 2017	
2	TVS Infotech Inc	Reimbursement of Expenses	1 year	Reimbursement of Expenses		
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.		
4	TVS Next Private Limited	Software Services	1 year		19th May 2017, 12th September 2017	

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 ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	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	2,38,79,506
5.	Reserves & surplus	(78,08,067)
6.	Total assets	6,42,17,689
7.	Total Liabilities	6,42,17,689
8.	Investments	NIL
9.	Turnover	16,42,73,833
10.	Profit before taxation	(18,17,262)
11.	Provision for taxation	NIL
12.	Profit after taxation	(18,17,262)
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 durisng the year.

May 22nd, 2017 CHAIRMAN

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 ₹)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	TVS Infotech Limited
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	INR
4.	Share capital	1,00,000
5.	Reserves & surplus	5,36,844
6.	Total assets	4,57,32,416
7.	Total Liabilities	4,57,32,416
8.	Investments	NIL
9.	Turnover	986,55,283
10.	Profit before taxation	(66,26,862)
11.	Provision for taxation	NIL
12.	Profit after taxation	(66,26,862)
13.	Proposed Dividend	NIL
14.	% of shareholding	90%

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.

May 22nd, 2017 CHAIRMAN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TVS INFOTECH LIMITED, CHENNAI FOR THE YEAR ENDED 31^{ST} MARCH 2017

To

The Members of TVS Infotech Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of TVS Infotech Limited, Chennai ("the company"), which comprise the Balance Sheet as at 31^{st} March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards(Ind AS) specified under Section 133 of the Act, read with Rule 4 of Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations furnished to us, the aforesaid Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS;

a) of the state of affairs of the Company as at March 31, 2017; and
b) its Profit for the year ended on that date (including Other Comprehensive Income);
c) its cash flows for the year ended on that date; and
d) the changes in Equity for the year ended on that date

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in the "Annexure – A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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.
   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 Flow dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015.
   e. On the basis of written representations received from the directors as on 31^{st} March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31^{st} March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
   g. 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:
      i. The Company has disclosed the impact of pending litigations on it's financial position in its Ind AS financial statements Refer Note No.34 to the financial statements.
      ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investors Education and Protection fund by the Company.
      iv. The Company has provided requisite disclosure in its financial statements as to holdings as well as dealings in Specified Bank Notes from November 08, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company.

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

M. Balasubramaniyam
Partner
Membership No. F7945

Place : Chennai
Date : 22^{nd} May, 2017

Annexure "A" to Independent Auditors' Report to the Members of TVS Infotech Limited, Chennai for the year ended 31st March 2017

Annexure referred to in our report under "Report on Other Legal and Regulatory Requirements Para 1" of even date on the accounts for the year ended 31st March 2017.

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;

   (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. In our opinion the interval is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

   (c) The Company does not have any immovable property.

2. The Company did not carry any inventory during the year.

3. During the year, the company has not granted any loan to a company, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

4. During the year, the company has not granted any loan or has made any investments, furnished any guarantees or provided any security. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 does not arise.

5. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.

6. According to the information and explanations furnished to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under Section 148 of the Companies Act, 2013 are not applicable to the Company for the year under audit.

7. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax / Value Added Tax (VAT), Service Tax, Duty of Customs, Duty of Excise, Cess and other statutory dues with the appropriate authorities. However, we have observed certain delays in remitting Employees' State Insurance, Income Tax deducted at source, Service Tax and Value Added Tax into the Government.

   (b) According to information and explanations furnished to us, the following are the details of the disputed dues that was not deposited with the concerned authorities:

Name of the statute	Nature of dues	Amount (₹)	Forum where the dispute is pending
Finance Act, 1994	Service Tax	7,24,376	Commissioner of Central Excise (Appeals)

8. The company has not availed any term loan from banks or financial institutions during the year. Hence the question of reporting on default in repayment thereof does not arise.

9. (a) The company has not raised any money by the way of initial public offer or further public offers (including debt instruments) during the year. Hence reporting on utilization of such money does not arise.

   (b) The company has not availed any term loan during the year.

10. Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

11. Managerial remuneration has been paid or provided in accordance with requisite approval mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 during the year.

12. The Company is not a Nidhi company and as such this clause of the Order is not applicable.

13. (a) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013.

    (b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer Note no - 30 to Financial statements.

    (c) Provisions of Section 177 of the Companies Act, 2013 are not applicable.

14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013.

15. According to the information and explanations furnished to us, the company has not entered into any non-cash transactions with directors or persons connected with them.

16. The company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

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

M. Balasubramaniyam
Partner
Membership No. F7945

Place : Chennai
Date : 22nd May, 2017

ANNEXURE – "B" TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDRAM PRECISON COMPONENTS LIMITED (FORMERLY SUNDRAM BLEISTAHL LIMITED) FOR THE YEAR ENDED 31ST MARCH 2017

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TVS Infotech Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (here in after "ICAI"). 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that;

I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
II. 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
III. 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on;

i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
ii. continuous adherence to Company's policies.
iii. existing procedures in relation to safeguarding of Company's fixed assets, inventories, receivables, loans and advances made and cash and bank balances.
iv. existing system to prevent and detect fraud and errors.
v. accuracy and completeness of Company's accounting records; and
vi. existing capacity to prepare timely and reliable financial information.

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

M. Balasubramaniyam
Partner
Membership No. F7945

Place : Chennai
Date : 22nd May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

In Rupees

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	5	**5,062,364**	8,102,123	8,769,371
Goodwill	38	**33,436,553**	-	-
Other Intangible assets		**1,563,141**	2,540,952	3,518,763
Financial assets				
- Investments	6	**22,936,038**	16,872,591	16,872,591
- Others	8	**1,828,997**	14,595,852	14,340,369
Deferred tax assets (Net)	16	**2,048,576**	2,857,440	1,680,036
Non-current tax assets (net)	9	**20,890,359**	37,272,498	44,605,608
Other non-current assets	10	**10,604,054**	79,054	79,054
		98,370,082	82,320,510	89,865,792
Current assets				
Financial assets				
- Trade receivables	11	**30,334,171**	40,061,786	68,402,519
- Cash and cash equivalents	12	**29,281,819**	21,316,480	13,966,719
- Loans	7	**-**	262,757	5,273
- Other	8	**-**	1,523,512	1,346,690
Other current assets	10	**13,067,991**	29,449,057	24,290,696
		72,683,981	92,613,592	108,011,897
Total assets		**171,054,063**	174,934,102	197,877,689
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	13	**284,749,290**	254,240,440	254,240,440
Other equity		**(151,728,298)**	(159,053,448)	(125,930,378)
Total equity		**133,020,992**	95,186,992	128,310,062
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	14	**-**	1,407,633	-
Provisions	15	**5,137,352**	10,187,393	8,348,454
		5,137,352	11,595,026	8,348,454
Current liabilities				
Financial liabilities				
- Borrowings	14	**-**	25,000,000	32,500,000
- Trade payables	17	**12,402,924**	9,146,156	9,562,385
- Other financial liabilities	18	**14,244,518**	15,633,480	10,935,682
Other current liabilities	19	**5,042,559**	16,335,429	7,311,358
Provisions	15	**1,205,718**	2,037,019	909,748
Total liabilities		**32,895,719**	68,152,084	61,219,173
Total equity and liabilities		**171,054,063**	174,934,102	197,877,689

Notes 1 to 43 form an integral part of these financial statements

This is the balance sheet referred to in our report of even date

For SUNDARAM & SRINIVASAN Chartered Accountants Regn. No. 004207S	For and on behalf of the Board of Directors of TVS INFOTECH LIMITED
M BALASUBRAMANIYAM Partner Membership No. F7945	VINOD KRISHNAN Managing Director (DIN: 00503518) R DILIP KUMAR Director (DIN: 00240372)
Place : Chennai Date : 22 May 2017	Place : Chennai Date : 22 May 2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

In Rupees

	Note	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from operations	20	**199,363,732**	231,646,376
Other income	21	**4,017,329**	5,839,415
Total Income		**203,381,061**	237,485,791
Expenses			
Employee benefits expense	23	**127,324,006**	185,535,291
Finance costs	24	**1,273,563**	1,851,807
Depreciation and amortization expense	25	**3,064,769**	4,017,610
Other expenses	26	**70,256,934**	78,076,458
Total expenses		**201,919,272**	269,481,166
Profit before exceptional items and tax		**1,461,789**	(31,995,375)
Exceptional item		**-**	-
Profit before tax		**1,461,789**	(31,995,375)
Tax expense			
a) Current tax	27		
b) Deferred tax		**56,932**	(733,049)
c) Adjustment of tax relating to earlier periods			
Profit for the year		**1,404,857**	(31,262,326)
Other comprehensive income			
i) Items that will not be reclassified to statement of profit or loss	**22**	**6,672,225**	(2,305,099)
- Income tax relating to items that will not be reclassified to profit or loss		**(751,932)**	444,355
		5,920,293	(1,860,744)
ii) Items that will be reclassified to statement of profit or loss			
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
Total comprehensive income for the year		**7,325,150**	(33,123,070)
(Comprising Profit and Other Comprehensive Income for the year)			
Earnings per equity share			
Basic (in ₹)	**28**	**0.0049**	(1.23)
Diluted (in ₹)		**0.0049**	(1.23)
Weighted average number of equity shares used in computing earnings per equity share			
Basic		**283,913,431**	25,424,044
Diluted		**283,913,431**	25,424,044

Notes 1 to 43 form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For SUNDARAM & SRINIVASAN Chartered Accountants Regn. No. 004207S	For and on behalf of the Board of Directors of TVS INFOTECH LIMITED
M BALASUBRAMANIYAM Partner Membership No. F7945	VINOD KRISHNAN Managing Director (DIN: 00503518) R DILIP KUMAR Director (DIN: 00240372)
Place : Chennai Date : 22 May 2017	Place : Chennai Date : 22 May 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

In Rupees

	Year ended 31st March 17	Year ended 31st March 16
A. Cash flows from operating activities		
Profit before tax	**1,461,789**	(31,995,375)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	**3,064,769**	4,017,610
Unrealised foreign exchange gain/(loss)	**417,893**	16,168
Interest expenses	**1,273,563**	1,851,807
Interest income	**(3,948,939)**	(3,312,599)
(Gain) loss on sale of property and equipment	**1,474,190**	-
Exchange Differences	**-**	(7,685)
Operating profit before working capital changes	**3,743,265**	(29,430,074)
Adjustments for:		
Decrease in trade payables	**3,256,768**	(416,229)
(Decrease)/ increase in other current liabilities	**(19,056,832)**	13,721,869
Decrease in trade receivables	**9,727,615**	28,340,733
Decrease in other non-current assets	**(10,525,000)**	-
Decrease/(Increase) in other current financial assets	**1,786,269**	(434,306)
Decrease/(Increase) in other non current financial assets	**29,148,994**	7,077,627
Decrease in long-term provisions	**1,622,184**	(466,160)
(Decrease)/increase in short-term provisions	**(831,301)**	1,127,271
Unrealised foreign exchange gain/(loss)	**(417,893)**	(16,168)
(Increase)/ decrease in other current assets	**16,381,066**	(5,158,361)
Exchange difference on account of translation of foreign currency cash and cash equivalents	**-**	7,685
Cash from/ (used) in operating activities	**31,091,870**	43,783,961
Direct taxes paid, net	**-**	-
Net cash from/ (used) in operating activities	**34,835,135**	14,353,887
B. Cash flow from investing activities		
Purchase of assets (including capital work-in-progress and capital advances)	**(934,789)**	(2,372,551)
Proceeds from sale of fixed assets	**413,400**	-
Purchase consideration for acquisition of TVS Next Pvt. Ltd (Formerly Blisslogix Technology Solutions Pvt.Ltd)	**(33,125,000)**	-
Interest received	**3,948,939**	3,312,599
Net cash from/ (used) in investing activities	**(29,697,450)**	940,048
C. Cash flow from financing activities		
Proceeds from increase in share capital	**30,508,850**	-
Proceeds from short-term borrowings	**(26,407,633)**	(6,092,367)
Interest paid to banks and others	**(1,273,563)**	(1,851,807)
Net cash generated from financing activities	**2,827,654**	(7,944,174)
D. Net cash flows during the year	**7,965,339**	7,349,761
E. Cash and cash equivalents at the beginning	**21,316,480**	13,966,719
F. Cash and cash equivalents at the end	**29,281,819**	21,316,480
Cash and cash equivalents comprise of:		
Cash on hand	**2,719**	12,514
Balances with banks in current accounts	**29,279,100**	21,303,966
Cash and cash equivalents as per note 12	**29,281,819**	21,316,480

This is the statement of cash flow referred to in our report of even date

For SUNDARAM & SRINIVASAN
Chartered Accountants
Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F7945

Place : Chennai
Date : 20 May 2017

For and on behalf of the Board of Directors of TVS INFOTECH LIMITED

VINOD KRISHNAN
Managing Director
(DIN: 00503518)

R DILIP KUMAR
Director
(DIN: 00240372)

Place : Chennai
Date : 20 May 2017

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2017

In Rupees

A. Equity Share Capital

Particulars	Notes	Amount
Balance at 01st April 2015	**16**	**254,240,440**
Changes in equity share capital during the year		-
Balance at the 31st March 2016		**254,240,440**
Changes in equity share capital during the year		30,508,850
Balance at the 31st March 2017		**284,749,290**

B. Other Equity

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total
		General reserve	Retained Earnings	Equity instruments	Remeasurement of defined benefit plans	
Balances at 31st March 2016	**13**		**(155,335,409)**		**(3,718,039)**	**(159,053,448)**
Profit for the year			1,404,857			1,404,857
Other comprehensive income	**22**		-		5,920,293	5,920,293
Transferred from Retained earnings to general reserves			-			-
	14		-			-
Balances at 31st March 2017		**-**	**(153,930,552)**	**-**	**2,202,254**	**(151,728,298)**

Particulars	Notes	Reserves and Surplus		Accumulated other comprehensive income		Total
		General reserve	Retained Earnings	Equity instruments	Remeasurement of defined benefit plans	
Balances at 31st March 2015	**13**		**(124,073,083)**		**(1,857,295)**	**(125,930,378)**
Profit for the year			(31,262,326)			(31,262,326)
Other comprehensive income	**22**		**-**		(1,860,744)	(1,860,744)
Balances at 31st March 2016		**-**	**(155,335,409)**	**-**	**(3,718,039)**	**(159,053,448)**

This is the statement of changes in equity referred to in our report of even date

For SUNDARAM & SRINIVASAN
Chartered Accountants
Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F7945

Place : Chennai
Date : 20 May 2017

For and on behalf of the Board of Directors of TVS INFOTECH LIMITED

VINOD KRISHNAN
Managing Director
(DIN: 00503518)

R DILIP KUMAR
Director
(DIN: 00240372)

Place : Chennai
Date : 20 May 2017

1. Corporate Information

TVS Infotech Limited ("TVSI" or "the Company'') is incorporated in India and is a subsidiary of Sundram Fasteners Limited (SFL) Chennai.

The registered office of the Company is situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India. Ind AS is applicable in view of its application to its holding company.

Disclosures under Ind AS are made only in respect of material items and in respect of items that will be useful to the user of financial statements in making economic decisions.

The financial statements for the year ended 31 March 2017 (including comparatives) are duly adopted by the Board todayfor consideration and approval by the shareholders.

3. Summary of accounting policies

1) Overall considerations

The financial statements have been prepared applying the significant accounting policies and measurement bases summarized below.

2) Revenue Recognition

Revenue is measured at fair value of the consideration received or receivable and net of returns, trade allowances and rebates and amounts collected on behalf of third parties. It excludes Value Added Tax, Sales Tax and Service Tax.

i. Revenue from Services:

Revenue from Services is recognised in the accounting period in which the services are rendered and when invoices are raised.

ii. Interest Income:

Interest incomes are recognized using the time proportion method based on the rates implicit in the transaction. Interest income is included in other income in the statement of profit and loss.

3) Property, plant and equipment

i. All items of Property, Plant and Equipment are stated at cost of acquisition less accumulated depreciation/amortization and impairment, if any. Cost includes:

a. Purchase Price

b. Taxes and Duties

However, cost does not include excise duty, value added tax and service tax, to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the 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.

ii. Other cost:

Repairs and maintenance cost are charged to the statement of profit and loss during the reporting period in which they are incurred.

Profit or Losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the Statement of Profit and Loss in other income/(loss).

iii. Depreciation and amortization:

a. Depreciation is recognized on a straight-line basis, over the useful life of the assets as prescribed under Schedule II of the Companies Act, 2013.

b. Depreciation on tangible fixed assets is charged over the estimated useful life of the asset in accordance with Part C of Schedule II to the Companies Act, 2013.

c. Amortization of Intangible Assets is charged over a period of 5 years from the year in which revenue is generated from such intangible assets.

Material residual value estimates and estimates of useful life are assessed as required.

d. The residual value for all the above assets are retained at 5% of the cost. Residual values and useful lives are reviewed and adjusted, if appropriate, for each reporting period.

e. On tangible fixed assets added/disposed off during the year, depreciation is charged on pro-rata basis for the period for which the asset was purchased and used.

f. Depreciation in respect of tangible asset costing individually less than Rs. 5000/- is provided at 100%.

g. The estimated useful life of tangible fixed assets based on Schedule II of Companies Act followed by the company:

Description	Useful lives in years
Plant and Equipment	3 -15
Furniture and fixtures	10
Office equipment	5
Vehicles	8

iv. Ind AS Transition

As there is no change in the functional currency as at the date of transition, the Company has elected to adopt the carrying value of Plant property and equipment under the erstwhile GAAP as the deemed cost for the purpose of transition to Ind AS.

4) Intangible assets

The Company has incurred expenditure towards development of solutions which are in the nature of intangible assets. Such expenditure represents cost of salaries of employees engaged in development of solutions. Intangible assets are self-generated by the Company.

5) Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount is less than recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In respect of assets whose impairment are to be assessed with reference to other related assets and such group of assets have independent cash flows (Cash Generating Units), such assets are grouped and tested for impairment.

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period. There is no impairment loss during the year.

6) Goodwill

During the year the company has recognised a sum of Rs. 3,34,36,553/- (Please refer Note No 38). The sum of Rs. 3,34,36,553/- was tested forimpairments and the management has opined there is no impairment.

7) Leases

i. Assets leased out

The Company has not leased out any asset.

ii. Assets taken on lease

As per the terms of lease agreements there is no substantial transfer of risk and reward of the property to the Company and hence such leases are treated as operating lease.

The payments on operating lease are recognized as an expense over the lease term. Associated costs, such as maintenance and insurance, are expensed as and when incurred.

8) Investment property

The Company does not own any Investment Property

9) Financial instruments

9.1 Recognition, initial measurement and derecognition:

Financial assets (other than trade receivables) 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. Trade receivables are recognised at their transaction value.

The 'trade payable' is in respect of the amount due on account of goods purchased and services availed in the normal course of business. They are recognised at their transaction and services availed value.

9.2 Financial Assets

i. Classification and subsequent measurement of financial assets:

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

a. Those to be measured subsequently at fair value either through other comprehensive income(Fair Value Through Other Comprehensive Income-FVTOCI) or through profit or loss(Fair Value Through Profit and Loss-FVTPL)

ii. Impairment of financial assets:

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets. There is no impairment loss during the year.

iii. Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance based on lifetime Expected Credit Loss at each reporting date, right from its initial recognition.There is no impairment loss during the year.

iv. Derecognition 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.

The Company derecognises financial assets when substantially all risk and rewards of ownership of the financial asset are transferred.

9.3 Financial Liabilities

i. Classification, subsequent measurement and derecognition of financial liabilities

a. Classification

Financial liabilities are classified, at initial recognition, as financial liabilities at transaction value. The Company's financial liabilities includes working capital loans, trade and other payables.

b. Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method, wherever applicable.

c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired.

10) Inventories

The Company does not have any inventory.

11) Income Taxes

Tax expense is recognized in the statement of profit or loss and comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

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. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting p2urposes at reporting date. There is no provision for taxes on income during the year in view of carried forward unabsorbed losses. There is also no liability for tax under Section 115 JB of the Income Tax Act, 1961. Deferred taxes pertaining to items recognised in other comprehensive income (OCI) are disclosed under OCI.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future tax liability. This is assessed based on the Company's forecast of future earnings, excluding non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

12) Post-employment benefits and short-term employee benefits

i. Short term obligations:

Short term obligations are those that are expected to be settled fully within 12 months after the end of the reporting period.

ii. Defined Benefit Plans:

(a) Leave salary:

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee upto the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income (OCI).

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

(b) Gratuity:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan 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 Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the 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 plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss.

Remeasurement 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 (net of deferred tax).

Changes in present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 employees salary to Regional Provident Commissioner, Chennai.

Bonus Payable:

The Company recognises a liability and an expense for bonus. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.Wherever the bonus is required to be paid as per the provisions of the Payment of Bonus Act, 1965, bonus has been paid/provided accordingly. Effective August 2016, the Company discharges its obligations on a monthly basis in respect of bonus payable as per statute.

13) Provisions and contingent liabilities

i. Provisions:

A Provision is recorded when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reasonable estimated.

Provisions are evaluated at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

ii. Contingent liabilities:

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

iii. Contingent Assets:

The Company does not recognise contingent asset.

14) 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.

15) Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and 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 the cash flow statement, cash and cash equivalents include cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of three months or less, as applicable.

16) Segment reporting

The Company is rendering services in Information Technology field and has only one reportable segment.

17) Borrowing costs

There is no acquisition of qualifying asset during the year and hence interest on borrowings is not capitalised.Other borrowing costs are expensed in the period in which they are incurred under finance costs.

4. Significant management judgment in applying accounting policies and estimation of uncertainty

While preparing the financial statements, management has made a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, careful judgment is exercised in assessing the impact of any legal or economic limits or uncertainties in various tax issues.

(ii) Estimation of 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.

a. Impairment of non-financial assets

In assessing impairment, management has estimated economic use of the assets, the recoverable amount of each asset or cash-generating units based on expected future cash flows and use an interest rate to discount them. Estimation uncertainty relates to assumptions about economically future operating cash flows and the determination of a suitable discount rate.

b. Useful lives of depreciable assets

Management has reviewed its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of assets including IntangibleAssets.

c. Inventories

The Company does not have any inventory.

d. Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

e. Fair value measurement

Management has used valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based its assumptions on observable data as far as possible but where it 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.

f. Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelvemonths for the purpose of current or non-current classification of assets and liabilities.

5 PROPERTY, PLANT AND EQUIPMENT

In Rupees

Gross block

	Plant and Equipment	Furniture and fixtures	Office Equipments	Vehicles	Total
As at 1st April 2015	**4,505,871**	**350,070**	**24,669,552**	**-**	**29,525,493**
Additions	-	-	395,699	1,976,852	2,372,551
Disposal	-	-	-	-	-
Other Adjustments	-	-	-	-	-
- Transfer	-	-	-	-	-
As at 31st March 2016	**4,505,871**	**350,070**	**25,065,251**	**1,976,852**	**31,898,044**
Additions	**-**	**21,500**	**913,289**	**-**	**934,789**
Disposal	**(841,099)**	**-**	**(1,266,703)**	**(1,976,852)**	**(4,084,654)**
Other Adjustments					**-**
- Transfer	**-**	**-**	**-**	**-**	**-**
As at 31st March 2017	**3,664,772**	**371,570**	**24,711,837**	**-**	**28,748,179**
Accumulated depreciation/ amortisation					
As at 1st April 2015	**2,057,651**	**130,355**	**18,568,116**	**-**	**20,756,122**
For the year	320,922	26,806	2,496,445	195,626	3,039,799
Deduction on disposal	-	-	-	-	-
Other Adjustments	-	-	-	-	-
- Transfer	-	-	-	-	-
As at 31st March 2016	**2,378,573**	**157,161**	**21,064,561**	**195,626**	**23,795,921**
For the year	**253,804**	**32,840**	**1,575,210**	**225,104**	**2,086,958**
Deduction on sale or discards	**(572,966)**	**-**	**(1,203,368)**	**(420,730)**	**(2,197,064)**
As at 31st March 2017	**2,059,411**	**190,001**	**21,436,403**	**-**	**23,685,815**
Net block					
As at 01st April 2015	2,448,220	219,715	6,101,436	-	8,769,371
As at 31st March 2016	2,127,298	192,909	4,000,690	1,781,226	8,102,123
As at 31st March 2017	**1,605,361**	**181,569**	**3,275,434**	**-**	**5,062,364**

Intangible assets

In Rupees

	Intangible assets Software
Gross block	
As at 1st April 2015	**7,483,136**
Additions	-
Disposal	-
Other Adjustments	-
- Transfer	-
As at 31st March 2016	**7,483,136**
Additions	**-**
Disposal	
Other Adjustments	
- Transfer	**-**
As at 31st March 2017	**7,483,136**
Accumulated depreciation/ amortisation	
As at 1st April 2015	**3,964,373**
For the year	977,811
Deduction on disposal	-
Other Adjustments	-
- Transfer	-
As at 31st March 2016	**4,942,184**
For the year	**977,811**
Deduction on sale or discards	**-**
As at 31st March 2017	**5,919,995**
Net block	
As at 01st April 2015	3,518,763
As at 31st March 2016	2,540,952
As at 31st March 2017	**1,563,141**

NOTES TO FINANCIAL STATEMENTS (Contd.)

		As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
				In ₹
6	**NON-CURRENT INVESTMENTS**			
	a) Investments in Equity Instruments - Unquoted			
	Investment in subsidiaries (Valued At Cost unless otherwise stated)			
	i) (20,000 Non assessable shares of US $ 1 each and 34,817 Non assessable shares of US $ 10 each in TVS Infotech Inc., Michigan, USA) (% of holding - 100%)	**16,872,591**	16,872,591	16,872,591
	ii) (9,000 Unquoted shares of ₹ 10/- each in TVS Next Pvt Ltd, Chennai (Formerly known as Blisslogix Technology Solutions Pvt Ltd)	**6,063,447**	-	-
		22,936,038	16,872,591	16,872,591
	Total	**22,936,038**	16,872,591	16,872,591
	Other details			
	Aggregate cost of quoted investments			
	Aggregate market value of quoted investments			
	Aggregate cost of unquoted investments	**22,936,038**	16,872,591	16,872,591
	Aggregate amount of impairment in value of investments			

		As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	In ₹
		Long-term in ₹	**Short-term in ₹**	Long-term in ₹	Short-term in ₹	Long-term in ₹	Short-term in ₹
7	**LOANS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)**						
	Loans and advances to employees	**-**	**-**	-	262,757	-	5,273
		-	**-**	-	262,757	-	5,273
	Break up of loans and advances						
	Secured, considered good	**-**	**-**	-	-	-	-
	Unsecured, considered good	**-**	**-**	-	262,757	-	5,273
	Doubtful	**-**	**-**	-	-	-	-
		-	**-**	-	262,757	-	5,273
8	**OTHER FINANCIAL ASSETS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)**						
	Security deposits	**1,828,997**	**-**	14,595,852	-	14,340,369	-
	Advances recoverable	**-**	**-**	-	1,523,512	-	1,346,690
	Advances to employees	**-**	**-**	-	-	-	-
	Others	**-**	**-**	-	-	-	-
		1,828,997	**-**	14,595,852	1,523,512	14,340,369	1,346,690
9	**TAX ASSETS (NET)**						
	Advance Income-tax and Tax deducted at source (net of provision - ₹ 343,981)	**20,890,359**		37,272,498	-	44,605,608	-
		20,890,359	**-**	37,272,498	-	44,605,608	-

		As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
		Non current in ₹	**Current in ₹**	Non current in ₹	Current in ₹	Non current in ₹	Current in ₹
10	**OTHER ASSETS**						
	(Unsecured, considered good)						
	Prepaid expenses	**-**	**1,597,927**	-	2,141,704	-	2,074,491
	Balance with statutory/government authorities	**79,054**	**3,211,928**	79,054	3,404,600	79,054	2,863,879
	Advances recoverable	**10,525,000**	**596,234**	-	525,319	-	771,560
	Advances to suppliers	**-**	**212,824**	-	261,872	-	182,183
	Unbilled revenue	**-**	**7,449,078**	-	23,115,562	-	18,398,583
		10,604,054	**13,067,991**	79,054	29,449,057	79,054	24,290,696

		As at 31st March 2017 in ₹	As at 31st March 2016 in ₹	As at 01st April 2015 in ₹
11	**TRADE RECEIVABLES**			
	(Unsecured, considered good unless otherwise stated)			
	Trade Receivables	**30,334,171**	40,061,786	68,402,519
		30,334,171	40,061,786	68,402,519
12	**CASH AND BANK BALANCES**			
	Cash and cash equivalents			
	Balances with banks in current accounts	**13,079,100**	7,803,966	7,470,235
	Bank deposits with maturity less than 3 months	**16,200,000**	13,500,000	6,468,027
	Cash on hand	**2,719**	12,514	28,457
		29,281,819	21,316,480	13,966,719

In Rupees

		Number	As at 31st March 2017 in ₹	Number	As at 31st March 2016 in ₹	Number	As at 01st April 2015 in ₹
13	**SHARE CAPITAL**						
	Authorised						
	Equity shares of ₹ 10 each	**32,000,000**	**320,000,000**	32,000,000	320,000,000	32,000,000	320,000,000
		32,000,000	**320,000,000**	32,000,000	320,000,000	32,000,000	320,000,000
	Issued, subscribed and fully paid up						
	Equity shares of ₹ 10 each	**28,474,929**	**284,749,290**	25,424,044	254,240,440	25,424,044	254,240,440
		28,474,929	**284,749,290**	25,424,044	254,240,440	25,424,044	254,240,440

a) Reconciliation of the number of shares at the beginning and at the end of the year

Particulars	No of shares
Number of shares as on 01st April 2015	**25,424,044**
Issue of equity share capital during the year	**-**
Number of shares as on 31st March 2016	**25,424,044**
Issue of equity share capital during the year	**3,050,885**
Number of shares as on 31st March 2017	**28,474,929**

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

	Nos.	% holding	Nos.	% holding	Nos.	% holding
Mrs Usha Krishna, Chennai	**9,593,989**	**34%**	9,593,989	38%	9,593,989	38%
Sundram Fasteners Investments Limited, Chennai	**3,330,050**	**12%**	3,330,050	13%	15,830,050	62%
Sundram Fasteners Limited, Chennai	**15,550,890**	**55%**	12,500,005	49%	-	0.00%
	28,474,929	**100%**	25,424,044	100%	25,424,039	100%

c) Rights, preferences, restrictions

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.

d) Bonus Shares/ Buy Back/ Shares for consideration other than cash issued during the period of five years immediately preceding the financial year ended 31st March 2017:

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

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

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

e) Capital Management

The Company' s capital management objectives are:

- to ensure the Company's ability to continue as a going concern

- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

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

in ₹

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Borrowings	**-**	26,407,633	32,500,000
Cash and cash equivalents	**29,281,819**	21,316,480	13,966,719
Capital (a)	**29,281,819**	5,091,153	18,533,281
Total equity	**133,020,992**	95,186,992	128,310,062
Overall financing (b)	**133,020,992**	95,186,992	128,310,062
Gearing ratio (a/b*100)	**-**	5%	14%

in ₹

	As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
14 BORROWINGS	**Long-term**	**Short-term**	Long-term	Short-term	Long-term	Short-term
a) Secured						
Term loan from banks						
Working Capital Loans - from banks			1,407,633	25,000,000	-	32,500,000
	-	**-**	1,407,633	25,000,000	-	32,500,000
Total	**-**	**-**	1,407,633	25,000,000	-	32,500,000

b) **Terms of interest, guarantee and repayment of long term loans**

i) Working capital facilities are secured against the net current assests comprising of trade receivables less trade payables. These working capital loans are repayable on demand.

ii) No loans have been guaranteed by the directors and others.

iii) There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

15 PROVISIONS						
Provision for employee benefits						
Gratuity (Also refer, note a(i) below)	**4,056,882**	**-**	6,813,577	-	5,490,336	-
Compensated absences (Also refer, note a(ii) below)	**1,080,470**	**349,764**	3,373,816	1,000,221	2,858,118	909,748
Other employee benefits						
Others						
Bonus (Also refer, note b below)	**-**	**855,954**	-	1,036,798	-	-
	5,137,352	**1,205,718**	10,187,393	2,037,019	8,348,454	909,748

a) **Provision for employee benefits**

i) **Gratuity**

Retirement benefit in the form of Gratuity Liability (being administered by Life Insurance Corporation of India) is a defined benefit obligation and is provided for on the basis of an actuarial valuation made at the end of each financial year.

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

in ₹

	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Net employee benefit expense (recognized in Employee Cost)			
Current Service cost	**1,709,122**	1,550,984	1,419,568
Interest cost on benefit obligation	**470,538**	371,077	313,368
Expected return on plan assets	**-**	(8,404)	(15,404)
Net actuarial loss recognized in the year	**-**	866,555	314,729
Past service cost	**-**	-	-
Liability not accounted	**-**	-	-
Net benefit expense	**2,179,660**	2,780,212	2,032,261
Balance sheet			
Details of Provision for Gratuity			
Defined benefit obligation at the beginning of the year	**6,813,577**	5,490,336	3,671,792
Fair value of plan assets	**375,561**	57,644	200,277
Less: Unrecognized past service cost	**-**	-	-
Less: Liability not funded	**(3,840,407)**	(6,813,577)	(5,490,336)
Plan Liability (adjusted from operating revenue/retained earning)	**3,348,731**	(1,265,597)	(1,618,267)
Changes in present value of the defined benefit obligation are as follows:			
Defined benefit obligation at the beginning of the year	**6,813,577**	5,490,336	3,671,792
Interest cost	**486,369**	371,077	313,368
Current Service cost	**1,709,122**	1,550,984	1,419,568
Benefits paid	**(827,981)**	(1,465,878)	(221,587)
Actuarial loss on obligation	**(4,340,680)**	867,058	307,195
Defined benefit obligation at the year end	**3,840,407**	6,813,577	5,490,336
Changes in the fair value of plan assets are as follows:			
Fair value of plan assets at the beginning of the year	**57,644**	200,277	263,994
Expected return	**15,830**	8,404	15,404
Contribution by employer	**1,129,284**	1,314,338	150,000
Benefits paid	**(827,981)**	(1,465,878)	(221,587)
Actuarial loss on obligation	**784**	503	(7,534)
Defined benefit obligation at the year end	**375,561**	57,644	200,277
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :			
% of Investment with insurer	**100%**	100%	100%
% of Investment in Government Bonds	**-**	-	-
% of Balance with Bank	**-**	-	-
Total	**100%**	100%	100%
Principal actuarial assumptions used :			
Discount rate	**6.80%**	7.60%	7.80%
Salary escalation rate	**8.00%**	8.00%	8.00%
Attrition rate	**22.00%**	22.00%	22.00%

NOTES TO FINANCIAL STATEMENTS (Contd.)

in ₹

	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015

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

Gratuity expenses include Rs.1,13,799/- (towards employee benefits for the Company's employees) reimbursed to Sundram Fasteners Limited., Holding Company

(ii) Compensated absences

The Company also extends defined benefit plans in the form of Compensated absences to employees. Provision for Compensated absences is made on actuarial valuation basis.

The Employee Benefits towards Compensated absences are provided based on actuarial valuation made at the end of the year.

	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Current Service cost	**1,059,750**	1,031,932	890,020
Interest cost on benefit obligation	**262,777**	212,902	177,772
Net actuarial (gain)/ loss recognised	**(2,433,437)**	1,438,041	1,396,691
	(1,110,910)	2,682,875	2,464,483
Principal actuarial assumptions used :			
Discount rate	**6.80%**	7.60%	7.80%
Salary escalation rate	**8.00%**	8.00%	8.00%
Attrition rate	**22.00%**	22.00%	22.00%

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

A quantitative sensitivity analysis for significant assumption as at 31st March 2017 is as shown below:

Gratuity plan:

Assumptions

	Discount rate		**Future salary increases**	
	Increase	**Decrease**	**Increase**	**Decrease**
31st March 2017				
> Sensitivity Level	0.50%	0.50%	0.50%	0.50%
> Impact on defined benefit obligation	(74,569)	77,600	84,891	(82,332)
31st March 2016				
> Sensitivity Level	0.50%	0.50%	0.50%	0.50%
> Impact on defined benefit obligation	(138,908)	144,663	158,869	(153,898)

in ₹

		As at 31st March 2017	As at 31st March 2016
b)	**Provision for expenses**		
	Balance at the beginning of the year	**1,036,798**	-
	Created during the year, net	**855,954**	1,036,798
	Reversed during the year	**1,036,798**	-
	Balance at the end of the year	**855,954**	**1,036,798**

NOTES TO FINANCIAL STATEMENTS (Contd.)

in ₹

		As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
16 DEFERRED TAX ASSET, NET				
The breakup of net deferred tax liability is as follows:				
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax		**344,422**	432,109	616,571
Gain on fair valuation of investments				
Others				
	A	**344,422**	432,109	616,571
Less: Deferred tax asset arising on account of :				
Minimum Alternate Tax Credit Entitlement				
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax		**1,951,056**	1,937,972	1,769,478
Provision for employee benefits		**441,942**	1,351,577	527,129
Others				
	B	**2,392,998**	3,289,549	2,296,607
Net deferred tax asset	(A-B)	**(2,048,576)**	(2,857,440)	(1,680,036)

Amount recognised in

	01st April 2016	Recognised in Other comprehensive Income	Recognised in Statement of Profit and loss	31st March 2017
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	432,109	-	(87,687)	**344,422**
Gain on fair valuation of investments	-		-	**-**
Others	-	-	-	**-**
Less: Deferred tax asset arising on account of :				**-**
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	1,937,972		13,084	**1,951,056**
Provision for employee benefits	1,351,577	(751,932)	(157,703)	**441,942**
Others		-	-	-
Total	(2,857,440)	751,932	56,932	**(2,048,576)**

NOTES TO FINANCIAL STATEMENTS (Contd.)

in ₹

Amount recognised in

	01st April 2015	Recognised in Other comprehensive Income	Recognised in Statement of Profit and loss	31st March 2016
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	616,571	-	(184,462)	432,109
Gain on fair valuation of investments				-
Others				-
Less: Deferred tax asset arising on account of :				-
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	1,769,478	-	168,494	1,937,972
Minimum Alternate Tax Credit Entitlement				-
Provision for employee benefits	527,129	444,355	380,093	1,351,577
Others				-
Total	(1,680,036)	(444,355)	(733,049)	(2,857,440)

in ₹

	As at 31st March 2017	As at 31st March 2016.	As at 01st April 2015
17 TRADE PAYABLES			
Dues to micro and small enterprises (also, refer note (a) below)			
Dues to others			
Trade payables	**12,402,924**	9,146,156	9,562,385
	12,402,924	9,146,156	9,562,385
a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006*:			
i) Principal amount remaining unpaid	**-**	-	-
ii) Interest due thereon	**-**	-	-
iii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	**-**	-	-
iv) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	**-**	-	-

in ₹

	As at 31st March 2017	As at 31st March 2016.	As at 01st April 2015
v) Interest accrued and remaining unpaid as at 31 March 2015	-	-	-
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

* Based on the information available with the Company in respect of Micro, Small & Medium Enterprises (as defined in 'The Micro, Small & Medium Enterprises Development Act, 2006'). The Company is generally regular in making payments of dues to such enterprises. Hence the question of payments of interest or provision towards belated payments does not arise.

		As at 31st March 2017	As at 31st March 2016.	As at 01st April 2015
18	**OTHER FINANCIAL LIABILITIES**			
	Deposits	-	1,250,000	1,250,000
	Non statutory dues	**1,754,576**	1,965,348	2,350,852
	Bonus payable	-		
	Outstanding liabilities	**12,489,942**	12,418,132	7,334,830
		14,244,518	15,633,480	10,935,682
19	**OTHER CURRENT LIABILITIES**			
	Customer advances	**1,378,194**	645,579	502,661
	Statutory dues	**3,664,365**	5,780,242	4,237,023
	Unearned revenue	-	9,909,608	2,571,674
		5,042,559	16,335,429	7,311,358

In ₹

		Year ended 31st March 2017	Year ended 31st March 2016
20	**REVENUE FROM OPERATIONS**		
	Rendering of services		
	- Domestic Services	**102,781,090**	99,978,630
	- Overseas Services	**96,582,642**	131,667,746
	Revenue from operations	**199,363,732**	231,646,376
21	**OTHER INCOME**		
	Interest Income	**3,948,939**	3,312,599
	Net foreign exchange gain	-	2,525,543
	Miscellaneous Income	**68,390**	1,273
		4,017,329	5,839,415
22	**OTHER COMPREHENSIVE INCOME**		
	Other Comprehensive Income are classified into		
	i) Items that will not be reclassified to statement of profit or loss		
	- Re-measurement gains (losses) on defined benefit plans	**6,672,225**	(2,305,099)
	Income tax effect	**(751,932)**	444,355
		5,920,293	(1,860,744)

In ₹

		Year ended 31st March 2017	Year ended 31st March 2016
23	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	**113,287,004**	167,663,401
	Contribution to provident and other funds	**9,266,197**	10,753,967
	Staff welfare expenses	**4,770,805**	7,117,923
		127,324,006	185,535,291
24	**FINANCE COSTS**		
	Interest expenses	**1,273,563**	1,851,807
		1,273,563	1,851,807
25	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation of tangible assets	**2,086,958**	3,039,799
	Amortization of intangible assets	**977,811**	977,811
		3,064,769	4,017,610
26	**OTHER EXPENSES**		
	Power & fuel	**6,044,379**	7,112,395
	Rent	**20,547,960**	22,189,925
	Rates & taxes [excluding taxes on Income]	**182,976**	410,504
	Insurance	**444,312**	241,442
	Repairs and maintenance		
	- Building	**1,725,000**	1,676,352
	- Plant & Equipment	**2,790,552**	2,287,108
	- Other assets	**2,603,870**	2,525,349
	Sub-contract expenses	**433,244**	1,567,617
	Audit fee (*refer note 29*)	**209,659**	163,258
	Loss on sale of assets	**1,474,190**	-
	Travel Expenses	**9,143,219**	11,211,111
	Postage & Telecom Expenses	**3,347,332**	4,251,562
	Exchange loss	**946,501**	-
	Consultancy	**12,589,647**	16,878,060
	Bank charges	**479,172**	424,177
	Recruitment & Training	**1,251,212**	2,007,401
	Consummables	**28,782**	34,975
	Software	**493,068**	350,924
	Books & Periodicals	**10,117**	11,210
	Subscriptions	**1,220,555**	1,088,910
	Entertainment Expenses	**278,764**	739,271
	Bad debts	**2,205,478**	1,908,880
	Miscellaneous expenses	**1,806,945**	996,027
	(Under this head there is no such expenditure which is in excess of 1% of revenue from operationsor Rs.10 lakhs whichever is higher)		
		70,256,934	78,076,458

NOTES TO FINANCIAL STATEMENTS (Contd.)

		Year ended 31st March 2017	In ₹ Year ended 31st March 2016
27	**INCOME TAX**		
	The unabsorbed depreciation is more than the profit computed under the Income Tax Act 1961. Hence there is no tax lability under the conventional method		
	Similarly the least of brought forward loss or depreciation as per books, is more than the income computed under section 115JB of the Income Tax Act, 1961. Hence there is no tax liability under section 115JB also.		
	Tax expense comprises of:		
	Current income tax:		
	Current income tax charge (net of Minumn alternate tax)	-	-
	Adjustments in respect of current income tax of previous year	-	-
	Deferred tax:		
	Relating to origination and reversal of temporary differences	56,932	(733,049)
	Income tax expense	56,932	(733,049)
	Other Comprehensive Income section		
	Deferred tax related to items recognised in OCI during in the year:		
	a) Provision for employee benefits	(751,932)	(444,355)
		(751,932)	(444,355)
28	**EARNINGS PER EQUITY SHARE**		
	Nominal value of equity shares	10	10
	Profit attributable to equity shareholders (A)	1,404,857	(31,262,326)
	Weighted average number of equity shares outstanding during the year (B)	283,913,431	25,424,044
	Basic earnings per equity share (A/B) (in ₹)	0.0049	(1.23)
	Dilutive effect on profit (C)		-
	(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	1,404,857	(31,262,326)
	Dilutive effect on weighted average number of equity shares outstanding during the year (E)	-	-
	Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	283,913,431	25,424,044
	Diluted earnings per equity share (D/F) (in ₹)	0.0049	(1.23)
29	**REMUNERATION TO AUDITORS CONSIST OF**		
	a) As Auditors	25,000	25,000
	b) Taxation Matters	15,000	30,000
	c) Certification	105,600	105,618
	d) Others	64,059	2,640
		209,659	163,258

NOTES TO FINANCIAL STATEMENTS (Contd.)

Summary of significant accounting policies and other explanatory information

30 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Holding Company

1. Sundram Fasteners Ltd., Chennai,

(B) Subsidiary Company

Domestic

1. TVS Next Private Ltd., Chennai,

Foreign

1. TVS Infotech Inc, USA

Fellow -Subsidiary Companies

i. Domestic

1. TVS Upasana Limited, Chennai (Formerly known as Upasana Engineering Limited)
2. Sundram Precision Components Limited, Chennai (Formerly known as Sundram Bleistahl Limited)
3. Sundram Fasteners Investments Limited, Chennai
4. Sundram Non Conventional Energy Systems Limited, Chennai

ii. Foreign

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

(II) Other Related Parties with whom transactions have been entered into during the year :

(A) Key Management Personnel

Mr. Vinod Krishnan – Managing Director.

(B) Enterprise in which Individual investor owning an interest in voting power has significant influence

Upasana Finance Limited, Chennai

Upasana Properties Private Limited, Chennai

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

						In Rupees
Nature of transaction	**Investor Company**	**Subsidiary Companies**	**Fellow Subsidiaries**	**Key Management Personnel**	**Relatives of Key Management Personnel**	**Enterprise in which key management personnel have significant influence**
Services						
Rendered	60,332,917	3,023,366	2,926,000	-	-	14,500
	(55,663,598)	(288,990)	(2,660,000)	-	-	(14,500)
Received	-	12,744,423	-	-	-	-
Finance						
Inter Corporate Deposit Paid (Net)						
Interest on Inter Corporate Deposit						
Loans & Interest receivable write - off						
Dividend Received						
Dividend Paid						

In Rupees

Nature of transaction	Investor Company	Subsidiary Companies	Fellow Subsidiaries	Key Management Personnel	Relatives of Key Management Personnel	Enterprise in which key management personnel have significant influence
Others Leasing or hire purchase arrangements						
Guarantees & Collaterals						
Management contracts, Including deputation of employees	-	-	-	4,051,952 (3,794,042)	-	-
Outstanding balances Due to the Company	763,350 (73,687)	4,249,956 (288,990)	479,653 (2,045,000)	-	-	16,676
Due by the Company	-	5,733,765 (423,820)	-	-	-	-

(Previous year figures are in brackets)

31 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities, comprise loans and borrowings, 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, cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

a) Market risk

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 its operating activities.

b) Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31st March 2017 (31st March 2016: +/- 1%, 1st April 2015: +/- 1%). 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.

In Rupees

		As at 31st March 2017	As at 31st March 2016
Profit before tax			
Increase	**+1%**	1,279,352	(32,164,542)
Decrease	**-1%**	1,643,352	(31,826,208)
Equity before tax			
Increase	**+1%**	**132,838,555**	**95,017,825**
Decrease	**-1%**	**133,202,555**	**95,356,159**

c) 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 (when revenue or expense is denominated in a foreign currency).

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:-

In Rupees

	Short term exposure		Long-term exposure	
	USD	**Euro**	**Others**	**USD**
31st March 2017				
Financial assets	**15,676,248**	**734,482**	**-**	**16,872,591**
Financial liabilities	**-**	**-**	**-**	**-**
31st March 2016				
Financial assets	17,364,776	12,944,764	-	16,872,591
Financial liabilities	-	-	-	-
01st April 2015				
Financial assets	26,919,296	7,690,985	-	16,872,591
Financial liabilities	-	-	-	-

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this Ind AS, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/₹ exchange rate and Euro/₹ exchange rate 'all other things being equal'. It assumes a +/- 10% change of the ₹/USD exchange rate for the year ended at 31st March 2017 (31st March 2016: 10%, 1st April: 10%). A +/- 5% change is considered for the ₹/Euro exchange rate for the year ended (31st March 2016: 5%, 1st April 2015: 5%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the ₹ had strengthened against the USD by 10% during the year ended 31st March 2017 (31st March 2016: 10%, 1st April 2015: 10%) and EURO by 5% during the year ended 31st March 2017 (31st March 2016: 5%, 1st April 2015: 5%) respectively then this would have had the following impact profit before tax and equity before tax:

		31st March 2017	31st March 2016	01st April 2015
Profit before tax				
USD	**-10%**	**(105,836)**	(33,731,853)	4,038,820
EURO	**-5%**	**1,425,065**	(32,642,613)	6,346,201
		1,319,229	(66,374,466)	10,385,021
Equity before tax				
USD	**-10%**	**131,453,367**	93,450,515	125,618,132
EURO	**-5%**	**132,984,268**	94,539,754	127,925,513
		264,437,635	187,990,269	253,543,645

If the INR had weakened against the USD by 10% during the year ended 31st March 2017 (31st March 2016: 10%, 1st April 2015: 10%) and GBP by 5% during the year ended 31st March 2017 (31st March 2016: 5%, 1st April 2015: 5%) respectively then this would have had the following impact:

Profit before tax				
USD	**+10%**	**3,029,414**	(30,258,897)	9,422,680
EURO	**+10%**	**1,498,513**	(31,348,137)	7,115,299
		4,527,927	(61,607,034)	16,537,979
Equity before tax				
USD	**+10%**	**134,588,617**	96,923,469	131,001,992
EURO	**+5%**	**133,057,716**	95,834,230	128,694,611
		267,646,333	192,757,699	259,696,603

NOTES TO FINANCIAL STATEMENTS (Contd.)

d) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Customer credit risk is managed by the senior management team subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored. At 31st March 2017, the Company had five customers that owed the Company more than Rs. 17 lakhs each and accounted for approximately 80% of all the receivables outstanding. At 31st March 2017, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31st March 2017, analysed by the length of time past due, are:

In Rupees

	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Not more than 3 months	**24,625,379**	36,538,890	62,495,119
More than 3 months but not more than 6 months	**2,785,767**	708,091	3,340,360
More than 6 months but not more than 1 year	**1,570,946**	-	1,075,310
More than one year	**499,886**	2,700,854	1,383,229
	29,481,979	39,947,835	68,294,019

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Companies policy is to deal only with creditworthy counterparties.

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 under review are of good credit quality.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on actual data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

e) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans.

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

Year ended 31st March 2017	**On demand**	**Less than 6 months**	**6 months to 1 year**	**Greater than 1 year**
Interest-bearing loans and borrowings	-	-	-	-
Other financial liabilities	-	-	-	-
Trade and other payables	-	**12,402,924**	-	-
Financial guarantee contracts	-	-	-	-
	-	**12,402,924**	-	-

Year ended 31st March 2016	**On demand**	**Less than 6 months**	**6 months to 1 year**	**Greater than 1 year**
Interest-bearing loans and borrowings (other than convertible preference shares)	-	25,132,000	132,000	1,143,633
Other financial liabilities	-	-	-	-
Trade and other payables	-	9,146,156	-	-
Financial guarantee contracts	-	-	-	-
	-	**34,278,156**	**132,000**	**1,143,633**

NOTES TO FINANCIAL STATEMENTS (Contd.)

32 FIRST TIME ADOPTION OF IND AS

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016.

The Company has been accounting for the deferred taxes using income statement approach under IGAAP, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

(a) Mandatory exceptions adopted by the Company:

(i) De-recognition of financial assets and liabilities

The de-recognition criteria of Ind AS 109 Financial Instruments has been applied prospectively for transactions occurring on or after the date of transition to Ind AS.

(ii) Estimates

The estimates made by the Company under Indian GAAP were not revised for the application of Ind AS except where necessary to reflect any differences in accounting policies or errors.

(b) Non-mandatory exceptions adopted by the Company:

(i) Property, Plant and Equipment

Freehold land is carried at its fair value on the transition date and this fair value has been considered as its deemed cost as on that date. The Company has elected to use carrying value under previous GAAP as the deemed cost on the date of transition to Ind AS for all property, plant and equipments (including intangible assets).

(ii) Investment in subsidiaries

Investment in subsidiaries are measured at the carrying value under IGAAP on the date of transition to Ind AS. These carrying value under IGAAP are considered to be the deemed cost as at the date of transition.

(iii) Leases

The Company has elected to use facts and circumstances existing at the date of transition to determine whether an arrangement constitutes a lease.

33 EVENTS AFTER THE REPORTING PERIOD

No adjusting or significant non-adjusting events have occurred between the 31 March 2017 reporting date and the date of authorisation.

34 COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

in ₹

	31st March 2017	31st March 2016	01st April 2015
a) Operating lease commitments			
(i) The company has entered into lease agreements for a period up to five years, which are in the nature of operating leases. Future minimum rentals payable under non-cancellable operating leases as at 31st March 2017 are, as follows			
a) Upto one year	**5,830,000**	16,490,000	16,289,355
b) One to five years	**-**	5,830,000	22,320,000
	5,830,000	22,320,000	38,609,355

(ii) During the year Rs. 1,64,90,000/- (₹1,62,89,355/-) of Lease payments recognised in the statement of profit and loss, in respect of operating lease agreements entered into on or after 01.04.2001.

(iii) Significant Leasing arrangements:

The company has entered into leasing arrangements in respect of office facility.

(a) Basis of determining contingent rent:

Contingent rents are payable for excessive, improper or unauthorised use of the asset, beyond the terms of the lease agreement, prejudicially affecting the resale value of the asset, either by way of increase in lease rentals or by way of lump-sum amount, as agreed between the parties.

NOTES TO FINANCIAL STATEMENTS (Contd.)

(b) Renewal / purchase options and escalation clauses:

Lease agreements are renewable for further period or periods on terms and conditions mutually agreed between the parties. Variations in lease rentals are made in the event of a change in the basis of computation of lease rentals by the lessor.

(c) There are no restrictions imposed by the lease arrangements, concerning dividends, additional debt & further leasing.

in ₹

b) Contingent liabilities	31st March 2017	31st March 2016	01st April 2015
- Claims against the company not acknowledged as debt;			
Legal claims			
- Service Tax - under appeal	**724,376**	724,376	724,376

In Rupees

35 RECONCILIATION OF PROFIT OR LOSS AS AT 31ST MARCH 2016	IGAAP	Adjustments	Ind AS
Revenue from operations	231,646,376	-	231,646,376
Other income	5,839,415	-	5,839,415
Total Income	**237,485,791**	-	**237,485,791**
Expenses			
Employee benefits expense	187,840,390	(2,305,099)	185,535,291
Finance costs	1,851,807	-	1,851,807
Depreciation and amortization expense	4,017,610	-	4,017,610
Other expenses	78,076,458	-	78,076,458
Total expenses	**271,786,265**	**(2,305,099)**	**269,481,166**
Profit before exceptional items and tax	**(34,300,474)**	**2,305,099**	**(31,995,375)**
Exceptional item	-		
Profit before tax	**(34,300,474)**	**2,305,099**	**(31,995,375)**
Tax expense			
a) Current tax			
b) Deferred tax	(1,177,404)	(444,355)	(733,049)
c) Adjustment of tax relating to earlier periods			
Profit for the year	**(33,123,070)**	**2,749,454**	**(31,262,326)**
Other comprehensive income			
i) Items that will not be reclassified to statement of profit or loss	-	2,305,099	(2,305,099)
- Income tax relating to items that will not be reclassified to profit or loss	-	(444,355)	444,355
	-	**1,860,744**	**(1,860,744)**
ii) Items that will be reclassified to sttatement of profit or loss			
- Income tax relating to items that will be reclassified to profit or loss	-	-	-
Profit for the year	**(33,123,070)**	**1,860,744**	**(33,123,070)**

NOTES TO FINANCIAL STATEMENTS (Contd.)

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

in ₹

	Note	IGAAP*	Adjustments	Ind AS
Net cash flow from operating activities		17,666,486	-	17,666,486
Net cash flow from investing activities		(2,372,551)	-	(2,372,551)
Net cash flow from financing activities		(7,944,174)	-	(7,944,174)
Net increase/(decrease) in cash and cash equivalents		7,349,761	-	7,349,761
Cash and cash equivalents as at 1 April 2015		13,966,719	-	13,966,719
Effects of exchange rate changes on cash and cash equivalents				
Cash and cash equivalents as at 31 March 2016		**21,316,480**	**13,966,719**	**7,349,761**

RECONCILIATION OF EQUITY AS AT 1ST APRIL 2015 (DATE OF TRANSITION TO IND AS)

In Rupees

	IGAAP	Adjustments	Ind AS
ASSETS			
Non-current assets			
Property, plant and equipment	8,769,371	-	8,769,371
Other Intangible assets	3,518,763	-	3,518,763
Financial assets			-
- Investments	16,872,591	-	16,872,591
- Others	14,340,369	-	14,340,369
Deferred tax assets (Net)	1,465,138	(214,898)	1,680,036
Non-current tax assets (net)	44,605,608	-	44,605,608
Other non-current assets	79,054	-	79,054
	89,650,894	(214,898)	89,865,792
Current assets			-
Financial assets			-
- Trade receivables	68,402,519	-	68,402,519
- Cash and cash equivalents	13,966,719	-	13,966,719
- Loans	5,273	-	5,273
- Other	1,346,690	-	1,346,690
Other current assets	24,290,696	-	24,290,696
	108,011,897	-	108,011,897
Total assets	**197,662,791**	**(214,898)**	**197,877,689**
			-
EQUITY AND LIABILITIES			-
Equity			-
Equity Share capital	254,240,440	-	254,240,440
Other equity	(126,145,277)	214,898	(125,930,379)
Total equity	**128,095,163**	**214,898**	**128,310,061**
			-
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	-	-	-
Provisions	8,348,454	-	8,348,454
	8,348,454	**-**	**8,348,454**

NOTES TO FINANCIAL STATEMENTS (Contd.)

	IGAAP	Adjustments	In Rupees Ind AS
Current liabilities			-
Financial liabilities			-
- Borrowings	32,500,000	-	32,500,000
- Trade payables	9,562,385	-	9,562,385
- Other financial liabilities	10,935,683	-	10,935,683
Other current liabilities	7,311,358	-	7,311,358
Provisions	909,748	-	909,748
Total liabilities	**61,219,174**	**-**	**61,219,174**
Total equity and liabilities	**197,662,791**	**214,898**	**197,877,689**

Footnotes to the reconciliations

i) Deferred taxes

The Company has been accounting for the deferred taxes using income taxes approach under IGAAP,which focuses on difference between taxable profit and accounting profit for the year. Ind AS 12 requires the entities to account for deferred taxes using balance sheet approach which focuses on temporary difference between the carrying amount of asset or liability in the balance sheet and the tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a seperate component of equity.

ii) Defined benefit obligation

Both under IGAAP and Ind AS,the Company has recognised costs related to its post-employment defined benefit plan on an accrual basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit and loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amount included in net interest on the net defined benefit liability) are recognised immediately in the baalnce sheet with the corresponding debit or credit to retained earnings through OCI.

iii) There is no material difference between IGAAP and Ind AS statement of cash flows.

36 FAIR VALUE MEASUREMENT HIERARCHY

The company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

In ₹

Particulars	Carrying Amount	Fair Value			Total	Difference	Carrying Amount	Fair Value			Total	Carrying Amount	Fair Value			Total
	31st March 2017	Level 1	Level 2	Level 3			31st March 2016	Level 1	Level 2	Level 3		01st April 2015	Level 1	Level 2	Level 3	
Financial Assets																
(i) Non-current																
Investments	22,936,038	-	-	-	**22,936,038**		16,872,591	-	-	-	**16,872,591**	16,872,591	-	-	-	**16,872,591**
Security deposits	1,828,997	-	-	-	**1,828,997**		14,595,852	-	-	-	**14,595,852**	14,340,369	-	-	-	**14,340,369**
(ii) Current																
Trade receivables	30,334,171	-	-	-	**30,334,171**		40,061,786	-	-	-	**40,061,786**	68,402,519				**68,402,519**
Cash and Cash equivalents	29,281,819	-	-	-	**29,281,819**		21,316,480	-	-	-	**21,316,480**	13,966,719	-	-	-	**13,966,719**
Loans	-				**-**		262,757				**262,757**	5,273	-	-	-	**5,273**
Other financial assets	-	-	-	-	**-**		1,523,512	-	-	-	**1,523,512**	1,346,690	-	-	-	**1,346,690**
Total Financial Assets	**84,381,025**	**-**	**-**	**-**	**84,381,025**	**-**	**94,632,978**	**-**	**-**	**-**	**94,632,978**	**114,934,161**	**-**	**-**	**-**	**114,934,161**
Financial Liabilities																
Borrowings	-	-	-	-	**-**		25,000,000				**25,000,000**	32,500,000				**32,500,000**
Trade Payables	12,402,924	-	-	-	**12,402,924**		9,146,156				**9,146,156**	9,562,385				**9,562,385**
Unclaimed wages & Salaries	-	-	-	-	**-**		-				**-**	-				**-**
Other liabilities	14,244,518	-	-	-	**14,244,518**		15,633,480				**15,633,480**	10,935,682				**10,935,682**
Total Financial Liabilities	**26,647,442**	**-**	**-**	**-**	**26,647,442**	**-**	**49,779,636**	**-**	**-**	**-**	**49,779,636**	**52,998,067**	**-**	**-**	**-**	**52,998,067**

NOTES TO FINANCIAL STATEMENTS (Contd.)

37 FAIR VALUE DISCLOSURE

In ₹

Particulars	31st March 2017				31st March 2016				01st April 2015			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets												
Investments	-	-	22,936,038	**22,936,038**	-	-	16,872,591	**16,872,591**	-	-	16,872,591	**16,872,591**
Trade receivables	-	-	30,334,171	**30,334,171**	-	-	40,061,786	**40,061,786**	-	-	68,402,519	**68,402,519**
Cash and Cash equivalents	-	-	29,281,819	**29,281,819**	-	-	21,316,480	**21,316,480**	-	-	13,966,719	**13,966,719**
Other financial assets	-	-	1,828,997	**1,828,997**			16,382,121	**16,382,121**	-	-	15,692,332	**15,692,332**
Total Financial Assets	**-**	**-**	**84,381,025**	**84,381,025**	**-**	**-**	**94,632,978**	**94,632,978**	**-**	**-**	**114,934,161**	**114,934,161**
Financial Liabilities												
Borrowings	-	-	-	**-**	-	-	25,000,000	**25,000,000**	-	-	32,500,000	**32,500,000**
Trade Payables	-	-	12,402,924	**12,402,924**	-	-	9,146,156	**9,146,156**	-	-	9,562,385	**9,562,385**
Other Financial Liabilities	-	-	14,244,518	**14,244,518**	-	-	15,633,480	**15,633,480**	-	-	10,935,682	**10,935,682**
Total Financial Liabilities	**-**	**-**	**26,647,442**	**26,647,442**	**-**	**-**	**49,779,636**	**49,779,636**	**-**	**-**	**52,998,067**	**52,998,067**

Note: Investment in subsidiary included in above balances, for which IND AS 109 does not apply

38 BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisition of TVS Next Private Limited (Formerly Blisslogix Technology Solutions (P) Limited) (TVS NP)

1) On 11 April 2016, TVS Infotech Limited (TVS IL) acquired 90% of the Equity shares of TVS NP, a non-listed company based in india and specialising in the Enterprise Mobility Solutions, in exchange for the consideration in cash. The acquisition of Blisslogix provides TVS IL with capabilities in Enterprise Mobility Solutions.

2) **Assets acquired and liabilities assumed:**

The fair value of the identifiable assets and liabilities of TVS Next Private Limited (Formerly Blisslogix Technology Solutions (P) Limited) (TVS NP) as at the date of acquisition were:

	Fair value recognised on acquisition ₹
Assets	
Tangible Assets	4,008,702
Security Deposit	870,000
Other Non current assets	
Trade Receivable	10,294,298
Cash and Cash Equivalent	10,000,344
Current loans and advances	4,084,955
	29,258,299
Liabilities	
Long term borrowings	208,560
Deferred tax Liabilities	31,939
Long term Provisions	2,686,968
Short term borrowings	8,396,518
Trade Payables	286,564
Other current liabilities	1,780,846
Short term provisions	9,129,740
	22,521,135

	Fair value recognised on acquisition ₹
Total identifiable net assets	6,737,164
Less: Non-controlling interests(10%) measured at proportionate % on net assets	-673,716
Less: Purchase consideration transferred	-39,500,000
	-33,436,553

3) The carrying amounts of assets and liabilities of TVS NP as on the date of acquisition is considered as fair value since they were capable of being realised at the carrying amounts in the Balance Sheet of TVSNP

4) **Purchase consideration - Cash outflow**

Cash 3,95,00,000

5)

6) The company recognises Non-controlling interest in TVS NP at propotionate share of the acquired entity's net identifiable assets

7) The acquired business contributed revenues of ₹ 9,85,18,249 and Loss of ₹ 51,69,099 for the period from 10 April 2016 to 31st March 2017.

8) If the acquisition had occurred on 1 April 2016, consolidated pro-forma revenue and Loss for the year ended 31 March 2017 would have been ₹ 29,80,19,015 and ₹ 49,02,669 respectively.

First time adoption of IND AS

The Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016.

The Company has been accounting for the deferred taxes using income statement approach under IGAAP, which focuses on differences between taxable profits and accounting profits for the year. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

NOTES TO FINANCIAL STATEMENTS (Contd.)

39 CONSOLIDATION OF FINANCIAL STATEMENTS

The Company is not consolidating financial statements of its subsidiaries pursuant to MCA notification dated 27th July 2016. The holding company viz., Sundram Fasteners Limited, Chennai consolidates the accounts of the subsidiaries viz., TVS Infotech Inc., USA and TVS Next Private Limited, Chennai.

40 DIRECTOR'S SITTING FEES

The Board of Directors have waived the sitting fees in respect of the Board meetings for the year.

41 PARTICULARS OF LOANS,GUARANTEES AND INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013 DURING THE FINANCIAL YEAR 2016-17

Name of the body corporate	Nature of transaction	Nature of relationship	Amount of acquistion (in ₹)
TVS Next Pvt Ltd, Chennai (Formerly known as Blisslogix Technology Solutions Pvt Ltd)	Acquisition	Subsidiary	6,063,447

42 DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD 08.11.2016 TO 30.12.2016

In ₹

Particulars	SBNs	Other Denominations	Total
Closing cash on hand as on 08.11.2016	11,000	5,288	16,288
(+) Permitted receipts	-	85,537	85,537
(-) Permitted payments	-	87,480	87,480
(-) Amount deposited in Banks on 17.11.16	11,000	-	11,000
Closing cash on hand as on 30.12.2016	**-**	**3,345**	**3,345**

43 CORPORATE SOCIAL RESPONSIBILITY

The Provision pertaining to Corporate Social Responsibility are not applicable.

Notes 1 to 43 form an integral part of these financial statements

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F7945

Place : Chennai
Date : 22 May 2017

For and on behalf of the Board of Directors of
TVS INFOTECH LIMITED

VINOD KRISHNAN
Managing Director
(DIN: 00503518)

R DILIP KUMAR
Director
(DIN: 00240372)

Place : Chennai
Date : 22 May 2017