TVS Next Private Limited

(formerly Blisslogix Technology Solutions Private Limited)

ANNUAL REPORT

for the year ended
31st March 2017

DIRECTORS' REPORT

Dear Members,

The Directors have great pleasure in presenting their Ninth Annual Report together with the audited accounts of the company for the year ended March 31, 2017.

1. Operations:

Gross Revenue for the year 2016-17 was ₹ 9.87 Crores compared to ₹ 5.49 Crores during 2015-16 showing a remarkable growth of 79%.

2. Financial Results

Description	As at 31.03.2017	As at 31.03.2016
	₹	₹
Turnover	9,86,55,283	54,885,197
Profit before Financial charges, depreciation and Taxation	24,59,491	25,37,537
Less : Finance Charges	11,06,125	3,89,266
Profit before depreciation and Taxation	(35,65,616)	21,48,271
Less: Depreciation	30,61,246	12,70,667
Profit Before Tax	(66,26,862)	8,77,604
Less :Taxation		3,55,200
Deferred Tax Provision	(3,19,336)	(84,581)
Net profit of the year	(63,07,526)	6,06,985
Other Comprehensive Income	(10,59,588)	(2,38,618)
Surplus Brought forward	78,03,957	74,35,590
Total	4,36,844	78,03,957
Appropriations:		
Proposed dividend	Nil	Nil
Dividend Tax	Nil	Nil
Balance Carried to Balance sheet	4,36,844	78,03,957
TOTAL	**4,36,844**	**78,03,957**

3. Financial Review:

During the year under review, the Company has registered appreciable growth in sales at 79%. The Company has posted Net Loss of Rs. 63.08 Lakhs.

4. Extract of the Annual Return:

As per Annexure I in MGT-9

5. Number of Meetings of Board of Directors:

During the financial year, there were Seven Meetings.

6. Directors Responsibility Statement

The Directors confirm that: -

(a) in the preparation of the annual accounts, the applicable accounting standards has been followed.

(b) appropriate accounting policies have been selected and applied them consistently and judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis

(e) Proper systems had been devised to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

7. Declaration of Independent Directors

The provision of Section 149 pertaining to the appointment of Independent Directors do not apply to the Company.

8. Company Policy relating to Directors appointment, payment of remuneration and discharge of their duties:

The provisions of Section 178(1) relating to constitution of Nomination and Remuneration are not applicable to the Company and hence the Company has not devised any policy relating to appointment of Directors qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act ,2013.

9. Explanations or comments on qualifications, reservations or adverse remarks or disclaimers made by the auditors and the practicing company secretary in their reports:

Nil

10. Particulars of loans, guarantees or investments under section 186:

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

11. Particulars of contracts or arrangements with related parties:

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.

12. Dividend:

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

13. Material changes and commitments, if any, affecting the financial positions of the company occurred between the end of the financial year to which this financial statements relate and the date of the report:

There were no material changes that could affect the financial positions of the company.

14. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

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 Rs. 4,77,28,938

b) Foreign exchange used Rs. 15,71,560

15. 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.

16. Corporate social responsibility initiatives:

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.

17. Formal annual evaluation:

The provisions of Section 134(3) read with Rule 8(4) of the Companies (Accounts) Rules, 2014 are not applicable to the Company.

18. Details of subsidiaries, joint ventures and associate companies:

Nil

19. Consolidated financial statement:

The company is not required to prepare Consolidated Financial Statement for the Financial Year 2016 – 17.

20. Directors:

None of the directors are liable to retire by rotation.

21. Deposits:

There are no fixed deposits outstanding as on 31st March, 2017 and the company is not accepting any fixed deposits.

22. Details of significant & material orders passed by the regulators/courts / tribunals impacting the going concern status & company's operation in future:

Nil

23. Adequacy of internal financial control with reference to the financial statements:

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.

24. Disclosure of composition of audit committee and providing vigil mechanism:

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules 2013 is not applicable to the Company.

25. Auditors:

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the annual general meeting of the company held on 30th September 2016, until the ensuing AGM. The Company has received a certificate from the statutory auditors to the effect that if ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to ratify their appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Auditors of the Company until the ensuing AGM.

26. Appointment of company secretary:

The Provisions of Section 203 (1) of the Companies Act, 2013 read with Rule 8A of Companies (Appointment and Remuneration of Managerial Personnel) Rule 2014 is not applicable to your Company.

27. Secretarial Audit:

The Provisions of Section 204 (1) read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

28. Shares:

a. Issue of equity shares with differential rights: No Equity Shares with differential rights were issued during the year under review

b. Issue of sweat equity shares: No Sweat Equity Shares were issued during the year under review

c. Employees stock option plan: No such plan has been implemented by the Company.

d. Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees: No such provision of money has been made during the year review.

29. Particulars of employees of the company as required pursuant to 5(2) of the Companies (appointment and remuneration of managerial personnel) rules, 2014:

As per Annexure III

30. Acknowledgments

Directors thank the bankers, customers, dealers and vendors for their support and encouragement and record their appreciation for the contribution made by the employees who made it possible for the company to achieve these results.

For and on behalf of the Board

VINOD KRISHNAN
Managing Director
DIN: 00503518

JEGAN SELVARAJ
Whole - time Director
DIN: 05236708

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 DETAIL

CIN	U72200TN2008PTC067744
Registration Date	14th May, 2008
Name of the Company	TVS Next Private Limited
Category / Sub-Category of the Company	Closely held Private 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	% of votes held	Applicable Section
1	TSV Infotech Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U72300TN1994PLC029467	Investor Company	90%	2(46)

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)	-	10,000	10,000	100%	-	1,000	1,000	10%	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	9,000	9,000	90%	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		10,000	10,000	100%	-	10,000	10,000	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)	-	10,000	10,000	**100%**	-	10,000	10,000	**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	-	-	-	-	-	-	-	-	-

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	
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 Rs 1lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 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	-	**10,000**	**10,000**	**100**	-	**10,000**	**10,000**	**100**	**Nil**

(ii) Shareholding of Promoters

S.No.	Shareholders' Names	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	TVS Infotech Ltd	0	0%	0.00	9,000	90.00%	0.00	90%
2	Jegan Selvaraj	8,000	80.00%	0.00	800	8.00%	0.00	-92%
	Total	**8,000**	**80.00%**	**0.00**	**9,800**	**98.00%**	**0.00**	18%

(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	**8,000**	**80%**	**9,800**	**98%**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Transfer – 11th April 2016	**9,000**	**90%**	**9,000**	**90%**
	At the end of the year	**9,800**	**98.00%**	**9,800**	**98%**

(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	**S Arunachalam**	**2,000**	**20.00**	**200**	**2.00**
	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)		200	2.00	200	2.00

(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	Jegan Selvaraj	8,000	80.00	800	8.00
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Transfer – 11th April 2016		7,200	72.00	-	-
	At the End of the year		800	8.00	800	8.00
2	At the beginning of the year	S Arunachalam	2,000	20.00	200	2.00
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) Transfer – 11th April 2016		1,800	18.00	-	-
	At the End of the year		200	2.00	200	2.00

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	78,02,556		-	78,02,556
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	78,02,556		-	78,02,556
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	50,00,000	-	50,00,000
Indebtedness at the end of the financial year				
i) Principal Amount	2,35,47,893	50,00,000	-	2,85,47,893
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**2,35,47,893**	**50,00,000**	**-**	**2,85,47,893**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	**Particulars of Remuneration**	**Name of MD / WTD / Manager**	**Total Amount (₹)**
	Name	Jegan Selvaraj	
	Designation	Director	
1	Gross salary	29,61,024	29,61,024
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	29,61,024	29,61,024
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others		
	a) Leave travel concession, once in a year, as per the rules of the Company.	-	-
	b) Payment of premium on personal accident insurance	-	-
	c) Company's contribution to provident fund as per the rules of the Company.	-	-
	Total (A)	**29,61,024**	**29,61,024**

B. Remuneration to other Directors

S. No.	Particulars of Remuneration	Name of Directors		Total Amount (₹/Lac)
1	Independent Directors	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)			
2	Other Non-Executive Directors	NIL	NIL	
	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)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure- II

Disclosure of Particulars of Contracts/Arrangements entered into by the Company Form No. AOC-2

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

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

1. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at 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	Provision of Software Development Services		
2	TVS Infotech Ltd	Software Services	1 year	Provision of Software Development Services		

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
	Name of the subsidiary	TVS Infotech Inc
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No Change in Reporting period
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
	Share capital	2,38,79,506
	Reserves & surplus	(78,08,067)
	Total assets	6,42,17,689
	Total Liabilities	6,42,17,689
	Investments	NIL
	Turnover	10,76,20,581
	Profit before taxation	(18,17,262)
	Provision for taxation	NIL
	Profit after taxation	(18,17,262)
	Proposed Dividend	NIL
	% of shareholding	100%

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

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

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
	Name of the subsidiary	TVS Next Private Limited
	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No Change in Reporting period
	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
	Share capital	1,00,000
	Reserves & surplus	14,05,717
	Total assets	474,70,358
	Total Liabilities	474,70,358
	Investments	NIL
	Turnover	986,55,283
	Profit before taxation	(76,63,517)
	Provision for taxation	NIL
	Profit after taxation	(76,63,517)
	Proposed Dividend	NIL
	% 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**

Sundaram & Srinivasan
Chartered Accountants

New No.4 (Old No.23) C P Ramaswamy Road,
Alwarpet, Chennai 600 018.

Independent Auditor's Report to the Members of TVS Next Private Limited, Chennai for the year ended 31st March, 2017

To

The Members of TVS Next Private Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of TVS Next Private Limited, Chennai ("the company"), which comprise the Balance Sheet as at 31st 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 Loss 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 31st March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 its 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
MembershipNo. F7945

Place : Chennai
Date : 22nd May 2017

Sundaram & Srinivasan
Chartered Accountants

New No.4 (Old No.23) C P Ramaswamy Road,
Alwarpet, Chennai 600 018.

Annexure "A" to Independent Auditor's Report to the Members of TVS Next Private 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. 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 Provident Fund and Income Tax deducted at source into Government.

8. The company has availed term loan from a bank. The repayment of this loan commences from the financial year 2017-18. 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 availed term loan during the year. The loan has been applied for the purpose for which it was availed.

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. The provisions relating to managerial remuneration under section 197 are not applicable to this company.

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

13. (a) The provisions of section 177 are not applicable to the company. The provisions of section 188 are complied with.

    (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.

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
MembershipNo. F7945

Place : Chennai
Date : 22nd May 2017

Annexure "B" to Independent Auditor's Report to the Members of TVS Next Private Limited, Chennai 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 Next Private 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, 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
MembershipNo. F7945

Place : Chennai
Date : 22nd May 2017

BALANCE SHEET AS AT 31ST MARCH 2017

In ₹

	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	**6,385,889**	3,933,234	2,156,454
Deferred tax assets (Net)	14	**447,763**	-	-
Financial assets				
- Others	6	**-**	-	893,870
Non-current tax assets (net)	7	**3,149,256**	3,080,949	771,536
		9,982,908	7,014,183	3,821,860
Current assets				
Financial assets				
- Trade receivables	9	**30,822,267**	11,788,429	4,667,786
- Cash and cash equivalents	10	**270,721**	10,132,620	6,307,808
- Others	6	**1,091,873**	1,106,453	808,978
Other current assets	8	**3,564,647**	-	5,407
		35,749,508	23,027,502	11,789,979
Total assets		**45,732,416**	30,041,685	15,611,839
EQUITY AND LIABILITIES				
Equity				
Equity Share capital	11	**100,000**	100,000	100,000
Other equity		**436,844**	7,803,957	7,435,590
Total equity		**536,844**	7,903,957	7,535,590
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	12	**-**	52,814	2,117,452
- Other financial liablities				
Provisions	13	**4,375,711**	1,302,144	-
Deferred tax liabilities (Net)	14	**-**	3,573	117,105
Non current tax liabilities (net)	15	**-**	-	2,300,000
		4,417,685	1,358,531	4,534,557
Current liabilities				
Financial liabilities				
- Borrowings	12	**28,547,893**	7,749,742	2,541,164
- Trade payables	16	**1,565,437**	279,003	121,511
- Other financial liabilities	17	**3,544,271**	182,842	223,642
Other current liabilities	18	**2,024,547**	1,977,046	535,375
Provisions	13	**5,137,713**	10,590,564	120,000
Total liabilities		**40,777,887**	20,779,197	3,541,692
Total equity and liabilities		**45,732,416**	30,041,685	15,611,839

Notes 1 to 39 form an integral part of these financial statements

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

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F 7945

Place : Chennai
Date : May 22, 2017

For and on behalf of the Board of Directors of TVS NEXT PRIVATE LIMITED

VINOD KRISHNAN
Director
(DIN: 00503518)

JEGAN SELVARAJ
Whole - time Director
(DIN: 05236708)

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

In ₹

	Note	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from operations	19	**98,655,283**	54,340,789
Other income	20	**122,173**	544,408
Total Income (a)		**98,777,456**	54,885,197
Expenses			
Employee benefits expense	22	**84,624,335**	44,151,424
Finance costs	23	**1,106,125**	389,266
Depreciation and amortization expense	24	**3,061,247**	1,270,667
Other expenses	25	**16,612,611**	8,196,236
Total expenses (b)		**105,404,318**	54,007,593
Profit before exceptional items and tax c (b-a)		**(6,626,862)**	877,604
Exceptional item			
Profit before tax		**(6,626,862)**	877,604
Tax expense			
a) Current tax	26	**-**	355,200
b) Deferred tax		**(319,336)**	(84,581)
Profit for the year		**(6,307,526)**	606,985
Other comprehensive income	**21**		
i) Items that will not be reclassified to profit or loss		**(1,191,588)**	(267,569)
- Income tax relating to items that will not be reclassified to profit or loss		**132,000**	28,951
		(1,059,588)	(238,618)
ii) Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
		-	-
Total comprehensive income for the year		**(7,367,114)**	368,367
(Comprising Profit and Other Comprehensive Income for the year)			
Earnings per equity share	**27**		
Basic (in ₹)		**(630.75)**	60.70
Diluted (in ₹)		**(630.75)**	60.70

Notes 1 to 39 form an integral part of these financial statements

This is the statement of profit&loss refered to in our report

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F 7945

Place : Chennai
Date : May 22, 2017

For and on behalf of the Board of Directors of TVS NEXT PRIVATE LIMITED

VINOD KRISHNAN
Director
(DIN: 00503518)

JEGAN SELVARAJ
Whole - time Director
(DIN: 05236708)

(3,741,045) 1,794,534

STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31ST MARCH 2017

In ₹

		Year ended 31st March 17	Year ended 31st March 16
A.	**Cash flows from operating activities**		
	Profit before tax	**(6,626,862)**	877,604
	Adjustments to reconcile net income to net cash provided by operating activities		
	Depreciation and amortization	**3,061,247**	1270667
	Amortisation of leasehold property	**-**	
	(Gain) loss on sale of property and equipment	**(17,340)**	(2,259)
	Interest income	**(89,966)**	(475,434)
	Interest expenses	**1,106,125**	389,266
	Operating profit before working capital changes	**(2,566,796)**	2,059,844
	Operating profit before working capital changes	**(3,741,045)**	1,794,534
	Adjustments for:		
	Decrease in trade payables	**1,286,434**	157,492
	(Decrease)/ increase in other current liabilities	**3,408,930**	1,400,871
	(Decrease)/ increase in other non current liabilities		(2,300,000)
	Decrease in trade receivables	**(19,033,838)**	(7,120,643)
	Decrease in other non-current assets	**(68,307)**	(2,309,413)
	(Increase)/ Decrease in other current financial assets		(297,475)
	Decrease/(Increase) in other non-current financial assets	**-**	893,870
	Decrease in long-term provisions	**1,881,979**	1,034,575
	(Decrease)/increase in short-term provisions	**(5,452,850)**	10,115,364
	(Increase)/ decrease in other current assets	**(3,550,067)**	5,407
	Cash from/ (used) in operating activities	**(21,527,719)**	1,580,048
	Direct taxes paid, net	**-**	-
	Net cash from/ (used) in operating activities before extraordinary item	**(24,094,515)**	3,639,892
	Net cash from/ (used) in operating activities	**(24,094,515)**	3,639,892
B.	**Cash flow from investing activities**		
	Purchase of assets (including capital work-in-progress and capital advances)	**(5,516,562)**	(3,310,678)
	Proceeds from sale of fixed assets	**20,000**	265,490
	Interest received	**89,966**	475,434
	Net cash from/ (used) in investing activities	**(5,406,596)**	(2,569,754)
C.	**Cash flow from financing activities**		
	Proceeds from short-term borrowings	**20,798,151**	5208578
	Repayment of long-term borrowings	**(52,814)**	(2,064,638)
	Interest paid to banks and others	**(1,106,125)**	(389,266)
	Net cash generated from financing activities	**19,639,212**	2,754,674
D.	**Net Incerease/(Decrease) in cash and cash equivalents (A+B+C)**	**(9,861,899)**	3,824,812
E.	Cash and cash equivalents at the beginning	**10,132,620**	6,307,808
F.	Cash and cash equivalents at the end	**270,721**	10,132,620
G.	**Net Incerease/(Decrease) in cash and cash equivalents**	**(9,861,899)**	3,824,812
	Cash and cash equivalents comprise of:		
	Cash on hand	**5,303**	
	Balances with banks in current accounts	**265,418**	10,132,620

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

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F 7945

Place : Chennai
Date : May 22, 2017

For and on behalf of the Board of Directors of
TVS NEXT PRIVATE LIMITED

VINOD KRISHNAN
Director
(DIN: 00503518)

JEGAN SELVARAJ
Whole - time Director
(DIN: 05236708)

Statements of Changes in Equity for the year ended 31st March 2017

A. Equity Share Capital

In ₹

Particulars	Notes	Amount
Balance at the 31st March 2016		**100,000**
Changes in equity share capital during the year		-
Balance at the 31st March 2017		**100,000**

B. Other Equity

In ₹

Particulars	Notes	Reserves and Surplus			Accumulated other comprehensive income		Total
		General reserve	Capital reserve	Retained Earnings	Equity instru-ments	Other Items	
Balances at 31st March 2016	**11**	**-**	**-**	**8,042,575**	**-**	**(238,618)**	**7,803,957**
Profit for the year		-	-	(6,307,526)	-	-	(6,307,526)
Other comprehensive income	**21**		-	-	-	(1,059,588)	(1,059,588)
Adjustments to reserves on account of change in depreciation			-	-	-	-	-
Balances at 31st March 2017		**-**	**-**	**1,735,049**	**-**	**(1,298,206)**	**436,844**

Particulars	Notes	Reserves and Surplus			Accumulated other comprehensive income		Total
		General reserve	Capital reserve	Retained Earnings	Equity instru-ments	Other Items	
Balances at 31st March 2015	**11**	**-**	**-**	**7,435,590**	**-**	**-**	**7,435,590**
Profit for the year		-	-	606,985	-	-	606,985
Other comprehensive income	**21**		-	-	-	(238,618)	(238,618)
Balances at 31st March 2016		**-**	**-**	**8,042,575**	**-**	**(238,618)**	**7,803,957**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

1. Corporate Information

TVS Next Private Limited ("TVSN" or ''the Company'') formerly Blisslogix Technology Solutions Private Limited is incorporated in India and is a subsidiary of TVS Infotech Limited (TVSI) Chennai and 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 and ultimate 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 on today for 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 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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:

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 A of Schedule II to the Companies Act, 2013.

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

c. 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.

d. 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.

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

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) 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 exceeds its 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.

5) 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.

6) Investment property

The Company does not own any Investment Property

7) Financial instruments

8.1 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.

i. 8.2 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

NOTES TO FINANCIAL STATEMENTS (Contd.)

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.

8.3 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 include working capital loans, trade and other payables.

a. Subsequent measurement

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

b. Derecognition

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

8) Inventories

The Company does not have any inventory.

9) 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 purposes 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.

10) 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.

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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

11) 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.

12) Earnings per share

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

13) Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents comprise cash on hand and 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.

14) Segment reporting

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

15) 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 Intangible Assets.

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 twelve months for the purpose of current or non-currentclassification of assets and liabilities.

NOTES TO FINANCIAL STATEMENTS (Contd.)

5. PROPERTY, PLANT AND EQUIPMENT

(In ₹)

Gross block	Plant and Equipment	Furniture and fixtures	Office Equipments	Vehicles	Total
As at 1st April 2015	**5,117,687**	**853,143**	**577,919**	**840,922**	**7,389,671**
Additions	2,459,730	335,460	159,288	356,200	3,310,678
Disposal	-	-	-	(356,200)	(356,200)
Other Adjustments	-	-	-	-	-
- Transfer	-	-	-	-	-
As at 31st March 2016	**7,577,417**	**1,188,603**	**737,207**	**840,922**	**10,344,149**
Additions	5,503,162	-	13,400	-	5,516,562
Disposal	(51,007)	(186,667)	(104,610)	-	(342,284)
Other Adjustments					
- Transfer	-	-	-	-	-
As at 31st March 2017	**13,029,572**	**1,001,936**	**645,997**	**840,922**	**15,518,427**
Accumulated depreciation/ amortisation					
As at 1st April 2015	**4,414,328**	**297,249**	**171,980**	**349,660**	**5,233,217**
For the year	642,520	165,968	214,714	247,465	1,270,667
Depreciation on deletions	-	-	-	-	-
Deduction on disposal	-	-	-	(92,969)	(92,969)
Other Adjustments	-	-	-		
As at 31st March 2016	**5,056,848**	**463,217**	**386,694**	**504,156**	**6,410,915**
For the year	**2,706,332**	**170,818**	**122,446**	**61,651**	**3,061,247**
Depreciation on deletions	-	-	-	-	-
Deduction on disposal	(51,007)	(186,667)	(101,950)	-	(339,624)
As at 31st March 2017	**7,712,173**	**447,368**	**407,190**	**565,807**	**9,132,538**
Net block					
As at 31st March 2015	**703,359**	**555,894**	**405,939**	**491,262**	**2,156,454**
As at 31st March 2016	**2,520,569**	**725,386**	**350,513**	**336,766**	**3,933,234**
As at 31st March 2017	**5,317,399**	**554,568**	**238,807**	**275,115**	**6,385,889**

		As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
		Non Current	Current	Non Current	Current	Non Current	Current
		in ₹	in ₹	in ₹	in ₹	in ₹	in ₹
6	**OTHER FINANCIAL ASSETS (UNSECURED CONSIDERED GOOD UNLESS OTHERWISE STATED)**						
	Rent advance	-	-	-	870,000	893,870	-
	Interest Accured on Fixed Deposit	-	-	-	203,453	-	263,521
	Employees Advances		1,091,873	-	33,000	-	545,457
		-	1,091,873	-	1,106,453	893,870	808,978
7	**TAX ASSETS (NET)**						
	Advance Income-tax and tax deducted at source (net of provision ₹ 26,55,200/-)	3,149,256	-	3,080,949	-	-	771,536
		3,149,256	-	3,080,949	-	-	771,536
8	**OTHER ASSETS**						
	(Unsecured, considered good)						
	Prepaid expenses	-	791,167	-	-	-	5,407
	Balance with statutory/government authorities	-	377,692	-	-	-	-
	Advances to suppliers	-	29,634	-	-	-	-
	Unbilled revenue		2,366,154	-	-	-	-
		-	3,564,647	-	-	-	5,407

		As at 31st March 2017 in ₹	As at 31st March 2016 in ₹	As at 1st April 2015 in ₹
9	**TRADE RECEIVABLES**			
	(Unsecured, considered good unless otherwise stated)			
	Trade receivables	30,822,267	11,788,429	4,667,786
		30,822,267	11,788,429	4,667,786
10	**CASH AND CASH EQUIVALENTS**			
	Balances with banks in current accounts	265,418	132,620	6,270,771
	Balance with bank less than 3 month maturities	-	10,000,000	-
	Cash on hand	5,303	-	37,037
		270,721	10,132,620	6,307,808

NOTES TO FINANCIAL STATEMENTS (Contd.)

	As at 31st March 2017		As at 31st March 2016		As at 1st April 2015	
	Number	**in ₹**	Number	in ₹	Number	in ₹
11 SHARE CAPITAL						
Authorised	10,000	100,000	10,000	100,000	10,000	100,000
Equity shares of ₹ 10 each						
	10,000	100,000	10,000	100,000	10,000	100,000
Issued, subscribed and fully paid up						
Equity shares of ₹ 10 each	10,000	100,000	10,000	100,000	10,000	100,000
	10,000	**100,000**	**10,000**	**100,000**	**10,000**	**100,000**

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	**10,000**
Issue of equity share capital during the year	-
Number of shares as on 31st March 2016	**10,000**
Issue of equity share capital during the year	-
Number of shares as on 31st March 2017	**10,000**

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

	2017		2016		2015	
	Nos.	**% holding**	Nos.	% holding	Nos.	% holding
TVS Infotech Limited Chennai	**9,000**	**90%**	-	-	-	-
Mr Jegan Selvaraj, Chennai	**800**	**8%**	8,000	80%	-	-
Mr S Arunachalam, Chennai	**200**	**2%**	2,000	20%	-	-
Ms Beulah Selva Priya, Chennai	**-**	**-**	-	-	5,000	50%
Ms P Bakkiya Rani Rajula, Chennai	**-**	**-**	-	-	5,000	50%
	10,000	**100%**	10,000	100%	10,000	100%

c) **Rights, preferences, restrictions**

Equity shares

The Company has only one class of equity shares having a par value of Rs. 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

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 Company's capital management is to maximise the shareholder value.

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

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Borrowings	**28,547,893**	7,802,556	4,658,616
Cash and cash equivalents	**270,721**	10,132,620	6,307,808
Capital (a)	**28,277,172**	(2,330,064)	(1,649,192)
Total equity	**536,844**	7,903,957	7,535,590
Overall financing (b)	**536,844**	7,903,957	7,535,590
Gearing ratio (a/b *100)	**52.59**	(0.29)	(0.22)

		As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
		Non Current	Current	Non Current	Current	Non Current	Current
		in ₹	in ₹	in ₹	in ₹	in ₹	in ₹
12	**BORROWINGS**						
a)	**Secured**			-	-	-	-
	Term loan from banks		**4,942,632**		-	-	-
	Working Capital Loans	**41,974**	**18,605,261**	52,814	7,749,742	154,812	2,541,164
		41,974	**23,547,893**	52,814	7,749,742	154,812	2,541,164
		41,974	**28,547,893**	52,814	7,749,742	154,812	2,541,164
b)	**Unsecured**						
	Term loan from a Director		**5,000,000**	-	-	-	-
	Working Capital Loans - from related parties		**-**	-	-	1,962,640	-
		-	**5,000,000**	-	-	1,962,640	-
	Total	**41,974.00**	**28,505,919**	52,814	7,749,742	2,117,452	2,541,164

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

i) Working capital facility is secured against book debts. The working capital loan is repayable on demand.

ii) Term loan from banks is secured against Laptops

iii) There is no default during the year in the repayment of borrowings and interest thereon.

		As at 31st March 2017		As at 31st March 2016		As at 01st April 2015	
		Non Current	Current	Non Current	Current	Non Current	Current
13	**PROVISIONS**						
	Provision for employee benefits						
	Gratuity (refer note a(i) below)	**3,270,756**	**584,585**	672,158	1,160,934	-	-
	Provision for expenses	**-**	**-**	-	-	-	120,000
	Other employee benefits	**1,104,955**	**488,115**	629,986	299,890	-	-
	Others						
	Bonus (refer note b below)		**4,065,013**	-	9,129,740	-	-
		4,375,711	**5,137,713**	1,302,144	10,590,564	-	120,000

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.

	As at 31st March 2017 in ₹	As at 31st March 2016 in ₹	As at 01st April 2015 in ₹
Net employee benefit expense (recognized in Employee Cost)			
Current Service cost	**1,170,259**	607,225	-
Interest cost on benefit obligation	**155,385**	81,271	-
Expected return on plan assets	**(19,258)**	(11,967)	-
Net actuarial loss recognized in the year	**764,403**	361,259	-
Past service cost	**-**	-	-
Liability not accounted	**-**	-	-
Net benefit expense	**2,070,789**	1,037,788	-
Balance sheet			
Details of Provision for Gratuity			
Defined benefit obligation at the beginning of the year	4,146,602	2,137,772	-
Fair value of plan assets	291,261	304,680	-
Less: Unrecognized past service cost		-	-
Less: Liability not funded	(3,855,341)	(1,833,092)	-
Plan Liability (adjusted from operating revenue/retained earning)	**582,522**	609,360	-

NOTES TO FINANCIAL STATEMENTS (Contd.)

Changes in present value of the defined benefit obligation are as follows:			
Defined benefit obligation at the beginning of the year	2,137,772	1,095,303	-
Interest cost	155,385	81,271	-
Current Service cost	1,170,259	607,225	-
Benefits paid	(87,260)	-	-
Actuarial loss on obligation	770,446	353,972	-
Defined benefit obligation at the year end	**4,146,602**	**2,137,771**	**-**
Changes in the fair value of plan assets are as follows:			
Fair value of plan assets at the beginning of the year	304,680	-	-
Expected return	19,258	11,967	-
Contribution by employer	48,540	300,000	-
Benefits paid	(87,260)	-	-
Actuarial loss on obligation	6,043	(7,287)	-
Defined benefit obligation at the year end	**291,261**	**304,680**	**-**
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	-
% of Investment in Government Bonds	-	-	-
% of Balance with Bank	-	-	-
Total	**100**	**100**	**-**
Principal actuarial assumptions used :			
Discount rate	6.75%	7.42%	-
Salary escalation rate	10.00%	10.00%	-
Attrition rate	20.00%	20.00%	-

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.

(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.

Current Service cost	559,132	393,404	-
Interest cost on benefit obligation	52,251	38,279	-
Net actuarial (gain)/ loss recognised	427,185	(93,691)	-
	1,038,568	**337,992**	**-**
Principal actuarial assumptions used :			
Discount rate	6.8%	7.42%	-
Salary escalation rate	10.0%	10.0%	-
Attrition rate	20.0%	20.0%	-

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	(133,541)	140,457	107,878	(105,042)
31st March 2016				
> Sensitivity Level	0.50%	0.50%	0.50%	0.50%
> Impact on defined benefit obligation	(60,674)	63,866	53,326	(51,533)

In ₹

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
b) Provision for expenses			
Balance at the beginning of the year	**9,129,740**	-	-
Created during the year, net	**114,032**	9,129,740	-
Reversed during the year	**5,178,759**	-	-
Balance at the end of the year	**4,065,013**	9,129,740	-

14 DEFERRED TAX LIABILITY, NET

		As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
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		**44,496**	32,524	117,105
Gain on fair valuation of investments				
Others				
	A	**44,496**	**32,524**	**117,105**
Less: Deferred tax asset arising on account of :				
Minimum Alternate Tax Credit Entitlement				
Provision for employee benefits		**492,259**	28,951	-
Others				
	B	**492,259**	28,951	-
Net deferred tax liability	**(A-B)**	**(447,763)**	**3,573**	**117,105**

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 :	**32,524**	**-**	**11,972**	**44,496**
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax				
Gain on fair valuation of investments				
Others				
Less: Deferred tax asset arising on account of :				
Provision for employee benefits	28,951	132,000	331,308	492,259
Others				
Total	**3,573**	**(132,000)**	**(319,336)**	**(447,763)**

NOTES TO FINANCIAL STATEMENTS (Contd.)

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	117,105	-	(84,581)	32,524
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	-	28,951	-	28,951
Minimum Alternate Tax Credit Entitlement				
Provision for employee benefits				
Others				
Total	**117,105**	**(28,951)**	**(84,581)**	**3,573**

		As at 31st March 2017 in ₹	As at 31st March 2016 in ₹	As at 01st April 2015 in ₹
15	**LIABILITIES FOR CURRENT TAX (NET)**			
	Provision for taxation (net of advance for income tax in Rs. (31 March 2016: 27, 01 April 2015: 2300000))	-	-	2,300,000
		-	-	2,300,000
16	**TRADE PAYABLES**			
	Trade payables	**1,565,437**	279,003	121,511
		1,565,437	279,003	121,511
	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	-	-	-
	v) Interest accrued and remaining unpaid as at 31st 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.

17	**OTHER FINANCIAL LIABILITIES**			
	Current maturities of term loans from banks (Secured)	-	165,412	223,642
	Non statutory dues	89,290	-	-
	Outstanding liabilities	3,454,981	17,430	-
		3,544,271	**182,842**	**223,642**
18	**OTHER CURRENT LIABILITIES**			
	Statutory dues	**1,457,689**	1,977,046	535,375
	Unearned revenue	**566,858**	-	-
		2,024,547	1,977,046	535,375

In ₹

		Year ended 31st March 2017	Year ended 31st March 2016
19	**REVENUE FROM OPERATIONS**		
	Rendering of Services		
	- Domestic	**30,917,923**	28,696,662
	- Overseas	**67,737,360**	25,644,127
	Revenue from operations	**98,655,283**	54,340,789
20	**OTHER INCOME**		
	Interest Income	**89,966**	475,434
	Miscellaneous Income	**14,867**	66,715
	Profit on Sale of Assets	**17,340**	2,259
		122,173	544,408
21	**OTHER COMPREHENSIVE INCOME**		
	Other Comprehensive Income shall be classified into		
	i) Items that will not be reclassified to profit or loss		
	- Re-measurement gains (losses) on defined benefit plans	**(1,191,588)**	(267,569)
	Income tax effect	**132,000**	28,951
	- Revaluation of land and buildings		
	Income tax effect		
	-Net (loss)/gain on FVOCI equity securities		
	Income tax effect		
		(1,059,588)	(238,618)
22	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	**77,354,958**	40,523,395
	Leave salary	**444,938**	947,567
	Contribution to provident and other funds	**5,357,123**	1,875,143
	Staff welfare expenses	**1,467,316**	805,319
		84,624,335	44,151,424
23	**FINANCE COSTS**		
	Interest	**1,106,125**	389,266
		1,106,125	389,266
24	**DEPRECIATION AND AMORTIZATION EXPENSE**		
	Depreciation of tangible assets	**3,061,246**	1,270,667
		3,061,246	1,270,667

NOTES TO FINANCIAL STATEMENTS (Contd.)

In ₹

		Year ended 31st March 2017	Year ended 31st March 2016
25	**OTHER EXPENSES**		
	Power & fuel	**257,372**	472,844
	Rent	**1,686,802**	1,108,800
	Rates & taxes [excluding taxes on Income]	**142,735**	112,128
	Insurance	**93,781**	13,585
	Repairs and maintenance	**-**	-
	- Plant & Equipment	**364,624**	122,567
	- Other assets	**224,589**	322,292
	Audit fee (*refer note 28*)	**50,000**	50,000
	Travel Expenses	**2,397,349**	538,086
	Postage & Telecom Expenses	**677,770**	782,433
	Consultancy	**3,584,746**	1,661,611
	Bank charges	**438,957**	115,405
	Recruitment & Training	**227,174**	-
	Consumables	**38,797**	-
	Software	**596,370**	-
	Subscriptions	**665,316**	450,958
	Commisision	**-**	4,889
	Exchange Fluctuation	**1,520,579**	500,500
	Bad debts	**3,064,181**	736,320
	Miscellaneous expenses	**581,470**	1,203,818
	(Under this head there is no such expenditure which is in excess of 1% of revenue from operationsor Rs.10 lakhs whichever is higher)		
		16,612,612	8,196,236
26	**INCOME TAX**		
	Income for the current year under conventional method and u/s 115JB of the Income Tax Act, 1961 is negative. Hence no tax is payable.		
	Tax expense comprises of:		
	Current income tax:		
	Current income tax charge (net of Minimum alternate tax)	**-**	355,200
	Adjustments in respect of current income tax of previous year		
	Deferred tax:		
	Relating to origination and reversal of temporary differences	**(319,336)**	(84,581)
	Income tax expense	**(319,336)**	270,619
	Other Comprehensive Income section		
	Deferred tax related to items recognised in OCI during the year:		
	a) Provision for employee benefits	**132,000**	28,951
		132,000	28,951

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Year ended 31st March 2017 in ₹	Year ended 31st March 2016 in ₹
27 EARNINGS PER EQUITY SHARE		
Nominal value of equity shares	**10**	10
Profit attributable to equity shareholders (A)	**(6,307,526)**	606,985
Weighted average number of equity shares outstanding during the year (B)	**10,000**	10,000
Basic earnings per equity share (A/B) (in ₹)	**(630.75)**	60.70
Dilutive effect on profit (C)		-
(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	**(6,307,526)**	606,985
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)	**10,000**	10,000
Diluted earnings per equity share (D/F) (in ₹)	**(630.75)**	60.70
28 REMUNERATION TO AUDITORS CONSIST OF		
a) As Auditors	**25,000**	25,000
b) Taxation Matters	**25,000**	25,000
	50,000	50,000

NOTES TO FINANCIAL STATEMENTS (Contd.)

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2017

29 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate Holding Company

Sundram Fastners Limited, Chennai

(B) Holding Company

TVS Infotech Limited, Chennai

(C) Fellow -Subsidiary Companies

i. Indian Subsidiary

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

ii. Overseas Subsidiary

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

(D) Individual Investor

Mr. Jegan Selvaraj holds 8% of the paid up equity share capital of the Company. He was holding 80% of the paid up equity share capital of the company upto 11th April 2016.

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

In Rupees

Nature of transaction	Investor Company	Associate	Joint Venture	Individual Investor	Relatives of Key Management Personnel	Enterprise in which key management personnel have significant influence
Services						
Rendered						
1. Sundaram Fastners Limited	2,972,110					
2. TVS Infotech Limited	7,580,178					
Received						
Finance						
Inter Corporate Deposit Paid (Net)						
Interest on Inter Corporate Deposit						
Loans & Interest receivable write - off						
Dividend Received						
Dividend Paid						
Others						
Leasing or hire purchase arrangements						
Guarantees & Collaterals						
Management contracts, Including deputation of employees				2,961,024		
				(9,080,000)		
Outstanding balances						
Due to the Company						
1. Sundaram Fastners Limited	3,577					
2. TVS Infotech Limited	941,554					
Due by the Company						
1. TVS Infotech Limited	68,700					

Previous year figures are shown in brackets

30 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 both its operating activities.

c) 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 ₹

		As at 31st March 2017	As at 31st March 2016
Profit before tax			
Increase	**+1%**	(6,832,912)	832,702
Decrease	**-1%**	(6,420,812)	922,506
Equity before tax			
Increase	**+1%**	**330,794**	**7,859,055**
Decrease	**-1%**	**742,894**	**7,948,859**

d) 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) and the Company's borrowings in 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 ₹

	Short term exposure		**Long-term exposure**	
	USD	**Euro**	**Others**	**USD**
31st March 2017				
Financial assets	15,449,911	9,112,735	-	-
Financial liabilities	-	-	-	-
31st March 2016				
Financial assets	3,823,033	-	-	-
Financial liabilities	-	-	-	-
01st April 2015				
Financial assets	3,366,267	-	-	-
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/Rs. 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 Rs. /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 and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

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%**	**(8,171,853)**	495,301	6,464,106
Euro	**+5%**	**(7,082,498)**	**-**	**-**
		(15,254,351)	495,301	6,464,106
Equity before tax				
USD	**+10%**	**(1,008,147)**	7,521,654	7,174,982
Euro	**+5%**	**(235,652)**	-	-
		(1,243,799)	7,521,654	7,174,982

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 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				
USD	**-10%**	**(5,081,871)**	1,259,907	7,137,360
Euro	**-5%**	**(6,171,225)**	-	-
		(11,253,095)	1,259,907	7,137,360
Equity before tax				
USD	**-10%**	2,081,835	8,286,260	7,174,982
Euro	**-5%**	992,481	-	-
		3,074,316	8,286,260	7,174,982

f) 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 each business unit 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 an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. At 31st March 2017, the Company had 5 customers that owed the Company more than Rs. 10 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:

	As at 31st March 2017	As at 31st March 2016	As at 01st April 2015
Not more than 3 months	**30,470,556**	10,134,277	4,635,871
More than 3 months but not more than 6 months	**351,710**	75,570	-
More than 6 months but not more than 1 year	**-**	618,405	-
More than one year	**-**	960,177	31,915
	30,822,267	11,788,429	4,667,786

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.

The management also assess the credit losses on account of the financial guarantees extended to the group companies. The management evaluates the credit risk associated with these companies, ability of them to repay the debts and probable exposure of the Company incase a group company fails to make payment when due in accordance with the original or modified terms of a debt instrument.

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 incurred historical 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.

h) 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	-	28,547,893	-	-
Other financial liabilities	-	3,544,271	-	-
Trade and other payables	-	1,410,252	155,185	-
Financial guarantee contracts	-	-	-	-
	-	**33,460,442**	**155,185**	**-**

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)	-	7,802,556	-	-
Other financial liabilities	-	182,842	-	-
Trade and other payables	-	279,003	-	-
Financial guarantee contracts	-	-	-	-
	-	**75,132,470**	**-**	**-**

31 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 in view of IND AS becoming applicable to holding and ultimate holding company, 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) Business Combination

Ind AS 103 Business Combinations has not been applied to acquisitions of subsidiaries, or of interests in associates and joint ventures that occurred before 1st April 2015. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with Ind AS. Assets and liabilities that do not qualify for recognition under Ind AS are excluded from the opening Ind AS balance sheet. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

(ii) 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.

(iii) Investment in subsidiaries

NIL

(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.

32 EVENTS AFTER THE REPORTING PERIOD

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

33 COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

	31st March 2017 in ₹	31st March 2016 in ₹	01st April 2015 in ₹
a) Operating lease commitments			
(i) The company has not entered into any lease agreements which are in the nature of operating leases.			
(iii) Significant Leasing arrangements:			
The company does not have any lease arrangements			
b) Capital commitments			
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-	-
c) Contingent liabilities			
- Claims against the company not acknowledged as debt;	-	-	-
Legal claims			
- Sales Tax / entry Tax - under appeal	-	-	-
- Excise Duty / Customs Duty / Service Tax - under appeal	-	-	-
- Income-tax - under appeal	-	-	-
- Others	-	-	-

34 RECONCILIATION OF PROFIT OR LOSS AS AT 31ST MARCH 2016

In ₹

	IGAAP	Adjustments	Ind AS
Revenue from operations	54,340,789	-	54,340,789
Other income	544,408	-	544,408
Total Income	**54,885,197**	**-**	**54,885,197**
Expenses			
Employee benefits expense	44,418,993	267,569	44,151,424
Finance costs	389,266	-	389,266
Depreciation and amortization expense	1,270,667	-	1,270,667
Other expenses	8,196,236	-	8,196,236
Total expenses	**54,275,162**	**267,569**	**54,007,593**
Profit before exceptional items and tax	610,035	267,569	877,604
Exceptional item		-	-
Profit before tax	**610,035**	**267,569**	**877,604**
Tax expense			
a) Current tax	355,200	-	355,200
b) Deferred tax	(104,762)	(28,951)	(84,581)
c) Adjustment of tax relating to earlier periods		-	-
Profit for the year	**359,597**	**238,618**	**606,985**
Other comprehensive income			
i) Items that will not be reclassified to profit or loss	-	(267,569)	(267,569)
- Income tax relating to items that will not be reclassified to profit or loss	-	28,951	28,951
	-	**(238,618)**	**(238,618)**
ii) Items that will be reclassified to profit or loss		-	
- Income tax relating to items that will be reclassified to profit or loss	-	-	
	-	-	
Profit for the year	**359,597**	**-**	**368,367**

TVS Next Private Limited (formerly Blisslogix Technology Solutions Private Limited)

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

	IGAAP	Adjustments
Net cash flow from operating activities	3,642,152	-
Net cash flow from investing activities	(2,572,013)	-
Net cash flow from financing activities	2,754,673	-
Net increase/(decrease) in cash and cash equivalents	3,824,812	-
Cash and cash equivalents as at 1st April 2015	6,307,808	-
Effects of exchange rate changes on cash and cash equivalents		
Cash and cash equivalents as at 31st March 2016	**10,132,620**	**-**

34 RECONCILIATION OF EQUITY AS AT 31ST MARCH 2016

In ₹

	IGAAP	Adjustments	IndAS
ASSETS			
Non-current assets			
Property, plant and equipment	3,933,234	-	3,933,234
Non-current tax assets (net)	6,606,149	(3,525,200)	3,080,949
	10,539,383	(3,525,200)	7,014,183
Current assets			
Financial assets			
- Trade receivables	11,788,429	-	11,788,429
- Cash and cash equivalents	10,132,620	-	10,132,620
- Loans	33,000	1,073,453	1,106,453
Other current assets	203,453	(203,453)	-
	22,157,502	870,000	23,027,502
Total assets	**32,696,885**	**(2,655,200)**	**30,041,685**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	100,000	-	100,000
Other equity	7,775,591	28,366	7,803,957
Total equity	**7,875,591**	**28,366**	**7,903,957**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	52,814	-	52,814
Provisions	1,302,144	-	1,302,144
Deferred tax liabilities (Net)	31,939	(28,366)	3,573
	1,386,897	(28,366)	1,358,531
Current liabilities			
Financial liabilities			
- Borrowings	7,749,741	(1)	7,749,742
- Trade payables		-	-
Dues to micro and small enterprises	-	-	-
Dues to others	279,004	1	279,003
- Other financial liabilities	-	-	-
Other current liabilities	2,153,213	6,675	2,159,888
Provisions	13,252,439	(2,661,875)	10,590,564
Total liabilities	**23,434,397**	**(2,655,200)**	**20,779,197**
			-
Total equity and liabilities	**32,696,885**	**(2,655,200)**	**30,041,685**

NOTES TO FINANCIAL STATEMENTS (Contd.)

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

In ₹

	IGAAP	Adjustments	IndAS
ASSETS			
Non-current assets			
Property, plant and equipment	2,156,454	-	2,156,454
Non-current tax assets (net)	1,665,406	-	1,665,406
	3,821,860	-	3,821,860
Current assets			
Financial assets			
- Trade receivables	4,667,786	-	4,667,786
- Cash and cash equivalents	6,307,808	-	6,307,808
- Loans	545,457	263,521	808,978
Other current assets	268,928	(263,521)	5,407
	11,789,979	-	11,789,979
Total assets	**15,611,839**	-	**15,611,839**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	100,000	-	100,000
Other equity	7,411,609	23,981	7,435,590
Total equity	**7,511,609**	23,981	**7,535,590**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	2,117,452	-	2,117,452
Deferred tax liabilities (Net)	141,086	(23,981)	117,105
	2,258,538	(23,981)	2,234,557
Current liabilities			
Financial liabilities			
- Borrowings	2,541,164	-	2,541,164
- Trade payables		-	
Dues to micro and small enterprises		-	
Dues to others	121,511	-	121,511
- Other financial liabilities		-	
Other current liabilities	611,591	(147,426)	759,017
Provisions	2,567,426	147,426	2,420,000
Total liabilities	**5,841,692**	-	**5,841,692**
			-
Total equity and liabilities	**15,611,839**	-	**15,611,839**

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.

35 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	Carrying Amount	Fair Value			Total	Carrying Amount	Fair Value			Total
	31-Mar-17	Level 1	Level 2	Level 3		31-Mar-16	Level 1	Level 2	Level 3		01-Apr-15	Level 1	Level 2	Level 3	
Financial Assets															
(i) Non-current															
Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Security deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(ii) Current															
Trade receivables	30,822,267	-	-	-	**30,822,267**	11,788,429	-	-	-	**11,788,429**	4,667,786				**4,667,786**
Cash and Cash equivalents	270,721	-	-	-	**270,721**	10,132,620	-	-	-	**10,132,620**	6,307,808	-	-	-	**6,307,808**
Other financial assets	1,091,873	-	-	-	**1,091,873**	1,106,453	-	-	-	**1,106,453**	808,978	-	-	-	**808,978**
Total Financial Assets	**32,184,861**	**-**	**-**	**-**	**32,184,861**	**23,027,502**	**-**	**-**	**-**	**23,027,502**	**11,784,571**	**-**	**-**	**-**	**11,784,571**
Financial Liabilities															
Borrowings - Long Term	-	-	-	-	-	52,814	-	-	-	**52,814**	2,117,452				**2,117,452**
Borrowings - Short Term	28,547,893	-	-	-	**28547893**	7,749,742				**7,749,742**	2,541,164				**2,541,164**
Trade Payables	1,565,437	-	-	-	**1,565,437**	279,003				**279,003**	121,511				**121,511**
Unclaimed wages & Salaries	-	-	-	-	-	-				-	-				-
Other liabilities	3,544,271	-	-	-	**3,544,271**	182,842				**182,842**	-				-
Total Financial Liabilities	**33,615,627**	**-**	**-**	**-**	**33,615,627**	**8,211,587**	**-**	**-**	**-**	**8,211,587**	**4,780,127**	**-**	**-**	**-**	**4,780,127**

NOTES TO FINANCIAL STATEMENTS (Contd.)

36 FAIR VALUE DISCLOSURE

(In ₹)

Particulars	31-Mar-17				31-Mar-16				01-Apr-15			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets												
Investments	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**
Trade receivables	-	-	30,822,267	**30,822,267**	-	-	11,788,429	**11,788,429**	-	-	4,667,786	**4,667,786**
Cash and Cash equivalents	-	-	270,721	**270,721**	-	-	10,132,620	**10,132,620**	-	-	6,307,808	**6,307,808**
Other financial assets	-	-	1,091,873	**1,091,873**			1,106,453	**1,106,453**	-	-	808,978	**808,978**
Total Financial Assets	**-**	**-**	**32,184,861**	**32,184,861**	**-**	**-**	**23,027,502**	**23,027,502**	**-**	**-**	**11,784,572**	**11,784,572**
Financial Liabilities												
Borrowings - Long Term			-	**-**			52,814	**52,814**			2,117,452	**2,117,452**
Borrowings - Short Term	-	-	28,547,893	**28,547,893**	-	-	7,749,742	**7,749,742**	-	-	2,541,164	**2,541,164**
Trade Payables	-	-	1,565,437	**1,565,437**	-	-	279,003	**279,003**	-	-	121,511	**121,511**
Other Financial Liabilities	-	-	3,544,271	**3,544,271**	-	-	182,842	**182,842**	-	-		
Total Financial Liabilities	**-**	**-**	**33,615,627**	**33,615,627**	**-**	**-**	**8264401**	**8264401**	**-**	**-**	**4,780,127**	**4,780,127**

37 DIRECTOR'S SITTING FEES

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

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

In ₹

Particulars	SBN s	Other Denominations	Total
Closing cash on hand as on 08.11.2016	-	14	14
(+) Permitted receipts	-	67,046	67,046
(-) Permitted payments	-	49,627	49,627
(-) Amount deposited in Banks on 17.11.16	-	-	-
Closing cash on hand as on 30.12.2016	**-**	**17,433**	**17,433**

39 CORPORATE SOCIAL RESPONSIBILITY

The provisions pertaining to Corporate Social Responsibility are not applicable.

Notes 1 to 39 form an integral part of these financial statements

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

As per our report annexed
For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No. 004207S

M BALASUBRAMANIYAM
Partner
Membership No. F 7945

Place : Chennai
Date : May 22, 2017

For and on behalf of the Board of Directors of TVS NEXT PRIVATE LIMITED

VINOD KRISHNAN
Director
(DIN: 00503518)

S MEENAKSHISUNDARAM
Director
(DIN: 00513901)