TVS Infotech Limited

ANNUAL REPORT

for the year ended
March 31, 2018

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors have pleasure in presenting the Twenty Fourth Annual Report, together with the audited Balance Sheet as at 31st March 2018.

FINANCIAL RESULTS

	2017-18	2016-17
	₹ in Lakhs	₹ in Lakhs
Software services, Sales and other income	**786.59**	2,033.81
Gross Profit / (Loss) before depreciation	**49.05**	45.26
Depreciation	**18.86**	30.65
Profit / (Loss) before tax	**30.19**	14.61
Add / (Less): Provision for Income Tax	**26.23**	NIL
Add / (Less): Provision for Deferred Tax	**(11.53)**	0.57
Profit / (Loss) after tax	**15.49**	14.04
Add / (Less): Other Comprehensive income	**7.06**	59.20
Balance carried forward	**22.55**	73.25

TRANSFER TO RESERVES

The Company has not transferred any amounts to reserves during the year 2017 -18.

DIVIDEND

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

OPERATIONS

The domestic and export sales were ₹ **688.74 lakhs** and ₹ **39.47 lakhs** respectively. The Company achieved a profit of ₹ **15.49 lakhs**.

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sri R.Dilip Kumar, Director, is liable to retire by rotation and being eligible, offers himself for re-appointment in the ensuing Annual General Meeting.

Sri G.Anand Babu has been appointed as Chief Financial Officer and Company Secretary with effect from 30th September 2017.

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

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

AUDIT COMMITTEE

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

The Audit Committee had met once during the year on 22nd May 2017. All the members attended the meeting.

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

EXTRACT OF ANNUAL RETURN

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

BOARD MEETINGS

During the financial year 2017 -18, there were five Board meetings, which were held on 22nd May 2017, 17th August 2017, 28th September 2017, 18th December 2017 and 12th March 2018.

DIRECTORS RESPONSIBILITY STATEMENT

The Directors confirm that: -

1. in the preparation of annual accounts, the applicable accounting standards have been followed.
2. appropriate accounting policies have been selected and applied consistently, and judgements and estimates that have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the annual accounts have been prepared on a going concern basis.
5. proper system had been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

NOMINATION AND REMUNERATION POLICY

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

Appointment criteria and qualifications

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

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

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

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

a) General:

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

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

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

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

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

a) Fixed pay:

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

b) Minimum Remuneration:

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

c) Provisions for excess remuneration:

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

Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

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

b) Sitting Fees:

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

c) Stock Options:

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

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

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

RELATED PARTY TRANSACTIONS

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

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments, affecting the financial position of the Company, which have occurred during the financial year 2017 -18.

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

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

The total foreign exchange earned and used are as under:

a)	Foreign exchange earned	Rs. 220.75 lakhs
b)	Foreign exchange used	Rs. 10.20 Lakhs

RISK MANAGEMENT

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

BOARD EVALUATION

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

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

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

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

PUBLIC DEPOSITS

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

REGULATORY / COURT ORDERS

During the year 2017 -18, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL FINANCIAL CONTROLS

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

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

There are no employees receiving remuneration exceeding Rs 60 lakhs per annum or Rs 5 lakhs per month covered under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.

STATUTORY AUDITORS

Pursuant to Section 139 of the Companies Act, 2013, M/s. B S R & Co. LLP, Chartered Accountants, Chennai (Firm Registration No.101248W/W-100022 with the Institute of Chartered Accountants of India) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on August 17,2017 for a consecutive period of five years till the conclusion of Annual General Meeting for the financial year 2021 -22.

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

The Company has instituted the Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been constituted and is entrusted to redress complaints regarding sexual harassment. No complaint was received during the year 2017 -18.

Chennai	**Vinod Krishnan**	**R Dilip Kumar**
April 26, 2018	Managing Director	Director

Annexure - I

FORM NO.MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended 31st March, 2018

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Software Services	9983	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary	% of votes held	Applicable Section
1	Sundram Fasteners Investments Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U65991TN1992PLC022618	Investor Company	11.69%	2(46)
2	Sundram Fasteners Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	L35999TN1962PLC004943	Investor Company	54.61%	2(46)
3	TVS Infotech Inc 7152, East Independence Blvd. STE#102, Charlotte, North Carolina 28227	Company incorporated in USA	Subsidiary	100%	2(87)
4	TVS Next Private Limited (formerly known as Blisslogix Technology Solutions Private Limited) 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U72200TN2008PTC067744	Subsidiary	90%	2(87)

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

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	-	95,93,994	95,93,994	33.69%	-	95,93,994	95,93,994	33.69%	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	1,88,80,935	1,88,80,935	66.31%	-	1,88,80,935	1,88,80,935	66.31%	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		2,84,74,929	2,84,74,929	100%	-	2,84,74,929	2,84,74,929	100%	Nil
Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c)Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-

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	
Total shareholding (A)=(A)(1)+(A)(2)	-	2,84,74,929	2,84,74,929	**100%**	-	2,84,74,929	2,84,74,929	**100%**	**Nil**
B. Public Shareholding									
1.Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)									
2.Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
Grand Total = A+B+C	-	**2,84,74,929**	**2,84,74,929**	**100**	-	**2,84,74,929**	**2,84,74,929**	**100**	**Nil**

(ii) Shareholding of Promoters

S. No.	Shareholders' Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change during the year
		No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	
1	Sundram Fasteners Investments Ltd	33,30,050	11.69%	0.00	33,30,050	11.69%	0.00	Nil
2	Sundram Fasteners Ltd	1,55,50,885	54.61%	0.00	1,55,50,885	54.61%	0.00	Nil
3	Usha Krishna	95,93,989	33.69%	0.00	95,93,989	33.69%	0.00	Nil
	Total	**2,84,74,924**	**99.99%**	**0.00**	**2,84,74,924**	**99.99%**	**0.00**	Nil

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

S. No.		Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	**2,84,74,924**	**99.99%**	**2,84,74,924**	**99.99%**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	**NIL**	**NIL**	**NIL**	**NIL**
	At the end of the year	**2,84,74,924**	**99.99%**	**2,84,74,924**	**99.99%**

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

S. No.	For Each of the Top 10 Shareholders	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	**R Narayanan**	**1**	**0.00**	**1**	**0.00**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	0.00	1	0.00
2	At the beginning of the year	**C S Narasimhulu**	**1**	**0.00**	**1**	**0.00**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	0.00	1	0.00
3	At the beginning of the year	**R Dilip Kumar**	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	0.00	1	0.00

S. No.	For Each of the Top 10 Shareholders	Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
4	At the beginning of the year	**S Meenakshi sundaram**	1	0.00	1	0.00
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		1	0.00	1	0.00

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	For Each of the Directors and KMP	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	R Dilip Kumar, Director	1	0.00	1	0.00
	Date wise Increase / Decrease in shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the End of the year		1	0.00	1	0.00

VI. 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	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	-	-	**-**	**-**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount			-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)			**-**	**-**

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (₹)
	Name	Vinod Krishnan	
	Designation	Managing Director	
1	Gross salary	33,86,250	33,86,250
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	33,86,250	33,86,250
	(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.	50,000	50,000
	b) Payment of premium on personal accident insurance	0	0
	c) Company's contribution to provident fund as per the rules of the Company.	4,06,350	4,06,350
	d) Madras Club Subscription & Entertainment Expense	1,44,748	1,44,748
	Total (A)	**35,80,998**	**35,80,998**
	Ceiling as per the Act	**42,00,000**	**42,00,000**

B. Remuneration to other Directors

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

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

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - II

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

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

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

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

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient features of the contracts or arrangements or transactions including the value	Date of approval by the Board	Amount paid as advances, if any
1	Sundram Fasteners Limited	Software Services	1 year	Manage Information Technology(IT) requirements to meets its business expectations in terms of increasing speed to market, increasing performance efficiency with customers, real time inventory management, improving IT connectivity to business, scaling up of IT to align with business growth in phased manner	22nd May,2017	
2	TVS Infotech Inc	Software Services and Reimbursement of Expenses	1 year	IT Services and Reimbursement of Expenses		
3	TVS Upasana Limited (formerly Upasana Engineering Limited)	Software Services and Reimbursement of Expenses	1 Year	Provision of End to End IT Services including Managing Infrastructure Services, ERP and Application Development services with Life care support.	22nd May 2017	
5	TVS Next Private Limited	Software Services	1 year		22nd May 2017	

Annexure III

Form AOC-1

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

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

Part "A": Subsidiaries

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

Sl. No.	Particulars	Details
1.	Name of the subsidiary	TVS Infotech Inc
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No Change in Reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	USD
4.	Share capital	239.97
5.	Reserves & surplus	8.94
6.	Total assets	715.67
7.	Total Liabilities	715.67
8.	Investments	NIL
9.	Turnover	2,306.45
10.	Profit before taxation	86.87
11.	Provision for taxation	2.81
12.	Profit after taxation	84.07
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

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

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

April 26, 2018 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 ₹ lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	TVS Next Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No Change in Reporting period
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	1
5.	Reserves & surplus	69.70
6.	Total assets	776.39
7.	Total Liabilities	776.39
8.	Investments	NIL
9.	Turnover	1,579.60
10.	Profit before taxation	110.65
11.	Provision for taxation	39.74
12.	Profit after taxation	70.91
13.	Proposed Dividend	NIL
14.	% of shareholding	90%

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

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

April 26, 2018 CHAIRMAN

Independent Auditor's Report

To the Members of TVS Infotech Limited

Report on the Audit of the Indian Accounting Standards ('Ind AS') financial statements

We have audited the accompanying Ind AS financial statements of **TVS Infotech Limited** ("the Company"), which comprise the balance sheet as at March 31, 2018, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's responsibility for the Ind AS financial statements

The Company's board of directors is responsible for the matters stated 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 state of affairs, profit or loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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 the 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 the Company's directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 given 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, of the state of affairs of the Company as at March 31, 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Other Matters

The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another auditor who expressed an unmodified opinion on those statements on May 22, 2017. Our opinion is not modified in respect to this matter.

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 in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, the statement of changes in equity and the cash flow statement 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 Indian Accounting Standards prescribed under section 133 of the Act.

(e) on the basis of written representations received from the directors as on March 31, 2018, taken on record by the board of directors, none of the directors are disqualified as on March 31, 2018 from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

(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 27 to the Ind AS financial statements;

(ii) the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;

(iii) there were no amounts which were required to be transferred to the investor education and protection fund by the Company; and

(iv) The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However amounts as appearing in the audited Ind AS financial statements for the year ended March 31, 2017 have been disclosed – refer note 11 to the Ind AS financial statements.

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

S Sethuraman
Partner
Membership No.:203491

Place : Chennai
Date : April 26, 2018

Annexure A to the Independent Auditor's Report

To the Members of TVS Infotech Limited on the Ind AS financial statements for the year ended March 31, 2018

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

(b) The Company has a regular programme of physical verification of its fixed assets and this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the Company does not have any immovable property.

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

(iii) According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Section 186 Act, with respect to investments made. As explained, the company has not given any loans, guarantees or securities that are outstanding as at March 31, 2018

(v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for any of the activities of the Company and accordingly, paragraph 3 (vi) of the Order is not applicable to the Company

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income tax, service tax, value added tax and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, duty of customs, duty of excise, and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, service tax, value added tax and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, the following are the in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, have not been deposited by the Company on account of disputes.

Name of statute	Nature of dues	Amount in INR lakhs	Period to which amount relates to	Forum where pending
Finance Act, 1994	Service tax	12.03	FY 2004-2007	CESTAT
Finance Act, 1994	Service tax	1.23	FY 2008-2009	Commissioner of Central Excise, Appeals

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any dues to banks, financial institutions, debenture holders or government during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no fraud by the Company or any material fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid / provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

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

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

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

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : April 26, 2018

Annexure B to the Independent Auditor's Report

To the Members of TVS Infotech Limited on the Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **TVS Infotech Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 internal financial controls with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively as at March 31, 2018 for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the standards on auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, 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 with reference to financial statements.

Meaning of Internal financial controls with reference to financial statements

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

Inherent limitations of internal financial controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

S Sethuraman
Partner
Membership No.: 203491

Place : Chennai
Date : April 26, 2018

Balance Sheet as at 31 March 2018 In ₹

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

	Note	**As at 31 March 2018**	As at 31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5A	**27.75**	50.62
Other intangible assets	5B	**6.57**	15.63
Financial assets			
- Investments	6	**563.73**	563.73
- Others	7	**9.63**	18.29
Deferred tax assets, net	8	**32.01**	20.48
Other tax assets, net	8	**262.32**	208.90
Other non-current assets	9	**65.13**	106.04
		967.14	983.69
Current assets			
Financial assets			
- Trade receivables	10	**154.53**	303.34
- Cash and cash equivalents	11	**296.43**	292.82
- Others	7	**212.75**	74.49
Other current assets	9	**25.07**	56.19
		688.78	726.84
Total assets		**1,655.92**	1,710.53
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	**2,847.49**	2,847.49
Other equity		**(1,494.74)**	(1,517.29)
Total equity		**1,352.75**	1,330.20
Liabilities			
Non-current liabilities			
Provisions	13	**8.78**	16.72
		8.78	16.72
Current liabilities			
Financial liabilities			
- Trade payables	14	**181.33**	226.89
- Others	15	**15.81**	48.15
Other current liabilities	16	**56.14**	50.42
Provisions	13	**41.11**	38.15
		294.39	363.61
Total liabilities		**303.17**	380.33
Total equity and liabilities		**1,655.92**	1,710.53
Significant accounting policies	3		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

S Sethuraman
Partner
Membership No.: 203491

Place: Chennai
Date: 26th April 2018

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

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

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

Place: Chennai
Date: 26th April 2018

Statement of profit and loss for the year ended 31 March 2018 In ₹

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

	Note	**Year ended 31 March 2018**	Year ended 31 March 2017
INCOME			
Revenue from operations	17	**728.21**	1,993.64
Other income	18	**58.38**	40.17
Total Income		**786.59**	2,033.81
EXPENSES			
Employee benefits expense	19	**333.07**	1,273.24
Finance costs	20	**-**	12.74
Depreciation and amortisation expense	21	**18.86**	30.65
Other expenses	22	**404.47**	702.57
Total expenses		**756.40**	2,019.20
Profit before tax		**30.19**	14.61
Tax expense			
- Current tax		**3.10**	-
- Tax relating to earlier years		**23.13**	-
- Deferred tax		**(11.53)**	0.57
Total tax expense		**14.70**	0.57
Profit for the year		**15.49**	14.04
Other comprehensive income			
(i) Items that will not be reclassified to statement of profit or loss			
(i) Remeasurement gains of defined benefit liability		**7.06**	66.72
(ii) Income tax effect on above		**-**	(7.52)
		7.06	59.20
Items that will be reclassified to the statement of profit or loss		**-**	-
Total comprehensive income for the period (comprising of profit and other comprehensive income)		**22.55**	73.24
Earnings per equity share			
Basic (in ₹)	23	**0.05**	0.05
Diluted (in ₹)		**0.05**	0.05
Significant accounting policies	3		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

S Sethuraman
Partner
Membership No.: 203491

Place: Chennai
Date: 26th April 2018

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

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

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

Place: Chennai
Date: 26th April 2018

Statement of changes in equity for the year ended 31 March 2018 In ₹

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

(a) Equity Share Capital

Particulars	Note	Amount
Balance at April 1, 2016	12	**2,542.40**
Changes in equity share capital during the year 2016-17		305.09
Balance at the March 31, 2017	12	**2,847.49**
Changes in equity share capital during the year 2017-18		-
Balance at the March 31, 2018	12	**2,847.49**

(b) Other Equity

Particulars	Note	Reserves and Surplus: Retained Earnings	Items of other comprehensive income: Re-measurement gain on defined benefit plan, net of tax	Total
Balances at 1 April, 2016		**(1,553.35)**	**(37.18)**	**(1,590.53)**
Profit for the year		14.04	-	14.04
Other comprehensive income for the year		-	59.20	59.20
Balances at March 31, 2017		**(1,539.31)**	**22.02**	**(1,517.29)**
Profit for the year		15.49	-	15.49
Other comprehensive income for the year		-	7.06	7.06
Balances at March 31, 2018		**(1,523.82)**	**29.08**	**(1,494.74)**
Significant accounting policies	3			

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

S Sethuraman
Partner
Membership No.: 203491

Place: Chennai
Date: 26th April 2018

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

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

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

Place: Chennai
26th April 2018

Cash flow statement for the year ended 31 March 2018 In ₹

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

	Note	Year ended 31 March 2018	Year ended 31 March 2017
Cash flows from operating activities			
Profit for the year		**30.19**	14.61
Adjustments for:			
Depreciation and amortisation expense	21	**18.86**	30.65
Asset written off		**13.08**	-
Unrealized foreign exchange gain		**-**	4.18
Finance costs	20	**-**	12.74
Interest income	18	**(11.39)**	(39.49)
Loss on sale of property, plant and equipment		**-**	14.74
		50.74	37.43
Working capital adjustments:			
Decrease in trade payables and other financial liabilities		**(77.92)**	(40.67)
Decrease in trade receivables and other financial assets		**19.22**	399.47
Increase / (decrease) in provisions		**2.09**	(0.66)
Increase / (Decrease) in other non financial liabilities		**5.72**	(112.93)
(Increase) / Decrease in other non financial assets		**72.02**	(98.10)
Cash generated from operating activities		**71.87**	184.54
Income tax paid (net)		**(79.65)**	163.82
Net cash (used in)/from operating activities (A)		**(7.78)**	348.36
B. Cash flow from investing activities			
Acquisition of property, plant and equipment		**-**	(9.35)
Proceeds from sale of property, plant and equipment		**-**	4.13
Purchase consideration for acquisition of TVS Next Private Limited (Formerly known as Blisslogix Technology Solutions Private Limited)		**-**	(331.25)
Interest received	18	**11.39**	39.49
Net cash flow from / (used in) investing activities (B)		**11.39**	(296.98)
C. Cash flow from financing activities			
Proceeds from issue of equity share capital	12	**-**	305.09
Interest paid	20	**-**	(12.74)
Repayment of short-term borrowings		**-**	(264.08)
Net cash flow from financing activities (C)		**-**	28.27
D. Net increase in cash and cash equivalents (A+B+C)		**3.61**	79.65
E. Cash and cash equivalents at the beginning of the year		**292.82**	213.17
F. Cash and cash equivalents at the year end		**296.43**	292.82
Reconciliation of the cash and cash equivalents as per the cash flow statement			
Cash on hand		**0.00***	0.03
Balances with banks in current accounts		**296.43**	292.79
	11	**296.43**	292.82

* Amount less than ₹ 0.01

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

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

S Sethuraman
Partner
Membership No.: 203491

Place: Chennai
Date: 26th April 2018

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

Vinod Krishnan
Managing Director
DIN No.: 00503518

R Dilip Kumar
Director
DIN No.: 00240372

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

Place: Chennai
26th April 2018

1. Corporate Information

TVS Infotech Limited ("the Company") is incorporated in India and is a subsidiary of Sundram Fasteners Limited , Chennai. The Company was incorporated under the provisions of the Companies Act, 1956 and the registered office of the Company is situated at No. 98-A, VII Floor, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004. The Company is primarily engaged in the business of providing IT services to varied customers.

2. Basis of Preparation

2.1. Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements for the year ended March 31, 2018 (including comparatives) are duly adopted by the Board on April 26, 2018 for consideration of approval by shareholders.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items;

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgments

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Significant management judgment

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 7 - leases: whether an arrangement contains a lease; and
- Note 7 - lease classification

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 from these estimates.

2.4.1 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.

2.4.2 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 of uncertainty relates to assumptions about future operating cash flows and the determination of a suitable discount rate.

2.4.3 Useful lives of depreciable assets

Management reviews 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.

2.4.5 Defined benefit obligation (DBO)

The actuarial valuation of the DBO is based on a number of critical underlying management's 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 (also refer note 13).

2.4.6 Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

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

Level 2: inputs other than quoted prices included in Level 3 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

Management uses various valuation techniques to determine fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management based on its assumptions on observable data as far as possible but where it 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 (refer note 25). The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

2.5 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-current classification of assets and liabilities.

3. Significant accounting policies

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

1) Revenue Recognition

i. **Revenue from Services:**

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date based on agreements with customer. The stage of completion is assessed by reference to surveys of work performed.

ii. **Interest and Dividend Income:**

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

Interest income or expense is recognised using the effective interest method.

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The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

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

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

2) Property, plant and equipment

2.1 Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises:

a) purchase price, including import duties and non-refundable taxes on purchase (Goods and Service Tax, Value Added Tax), after deducting trade discounts and rebates.

b) any directly attributable cost of bringing the item to its working condition for its intended use estimated costs of dismantling and removing the item and restoring the site on which it is located.

c) the cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit or loss.

2.2 Subsequent expenditure

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.

2.3 Component Accounting

The component of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of the respective asset, the life of the component in assets are determined based on technical assessment and past history of replacement of such components in the assets. The carrying amount of any component accounted for as separate asset is derecognised when replaced.

2.4 Other cost:

All other 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 within other income/(loss).

2.5 Depreciation and amortization:

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

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

c. The estimated useful life of the tangible fixed assets on technical assessment followed by the Company is furnished below:

Asset category	Management estimate of useful life
Plant and equipment	3-15
Furniture and fixtures	10
Office equipment	5
Vehicles	8

e. 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.

f. 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.

3) Intangible assets

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset category	Management estimate of useful life
Computer Software	3-5 Years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

4) Impairment

4.1 Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is ‘credit impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty;
- a breach of contract such as a default or being past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the recipient is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is past due.

4.1.1 Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

4.1.2 Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

4.1.3 Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4.2 Impairment of non-financial assets

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

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

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

5) Investments in Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and joint venture, the

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

difference between net disposal proceeds and the carrying amounts are recognized in the statement of profit and loss.

6) **Leases**

6.1 Determining whether an arrangement contains a lease

At inception of arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

6.2 Assets held under leases

i. 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.

ii. Decommissioning charges in respect of property, plant and equipment, furniture & furniture and office equipments presently located in land taken on lease are not provided for as it is impractical to estimate the sum that will be incurred at the time after the lease comes to end which is between seventy years to ninety nine years. Further there is also likelihood of the lessor renewing the lease.

6.3 Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7) **Financial instruments**

7.1 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 initially recognised when they are originated.

The 'trade payable' is in respect of the amount due on account of goods purchased in the normal course of business. They are recognised at their transaction and services availed value as the same do not contain significant financing component.

7.2 Financial assets

7.2.1 Classification and subsequent measurement of financial assets:

For the purpose of subsequent measurement, financial assets are classified and measured based on the entity's business model for managing 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) and;

b. Those measured at amortized cost.

1. Financial assets at Amortised Cost

Includes assets that are held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are measured subsequently at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses, if any and impairment are recognised in profit or loss. Any gain or loss on de recognition is recognised in statement of profit and loss.

2. Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

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

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

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

3. Financial assets at Fair Value Through Profit or Loss (FVTPL)

   Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or FVTOCI. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

   The loss allowance in respect of FVTPL at each reporting period is evaluated based on expected credit losses for next 12 months and credit risk exposure. The Company also measures loss allowance for financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The allowance shall be recognised in profit and loss.

Notes to financial statements for the year ended 31 March 2018 (Contd.)
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7.2.2 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.

7.2.3 Derivative financial instruments and hedge accounting

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

7.2.4 De-recognition of financial assets

A financial asset is derecognised only when;

a) The Company has transferred rights to receive cash flows from the financial asset or

b) The Company retains the contractual rights to receive the cash flows of the financial asset, but expects a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company examines and assesses whether it has transferred substantially all risk and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risk and rewards of ownership of the financial asset, the financial asset is derecognised, if the Company has not retained control of the financial asset. Where the company retains control of the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

7.3 Financial Liabilities

7.3.1 Classification of financial liabilities

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

7.3.2 Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because, the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

7.3.3 De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

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7.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

5) Income Taxes

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

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

- temporary differences arising on initial recognition of assets or liabilities in transaction that is not a business combination and that affects neither accounting nor taxable profit/ loss at the time of transaction;
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

9.1 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. They are recognised up to the end of the reporting period at the amounts expected to be paid at the time of settlement.

With respect to bonus, 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.

9.2 Other long term employee benefit obligations:

These obligation represent liability towards compensated absences that are not expected to be settled wholly within a period of 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 up to 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.

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.

9.3 Post-employment obligation:

The Company operates the following post-employment schemes:

9.3.1 Gratuity obligation:

The liability or asset recognised in the balance sheet in respect of these defined benefit obligation is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by an Independent actuary using projected unit credit method. The present value of the defined benefit obligation 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. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in present value of the defined benefit obligation resulting from plan amendment or curtailment are recognised immediately in the Statement of Profit or loss or service cost.

9.3.2 Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined benefit obligation, in which both employees and the Company make monthly contributions at a specified percentage of the covered employee's salary. The provident fund contributions are made to an irrevocable trust set up by the Company. The Company is liable for annual contributions and any shortfall in the fund assets based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year in which it is incurred.

7) Provisions and contingent liabilities

10.1 Provisions:

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

10.1.1 Onerous contract

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

10.2 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.

10.3 Contingent Assets:

The Company does not recognise contingent assets. These are assessed continually to ensure that the developments are appropriately disclosed in the financial statements.

8) Earnings per share

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

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9) 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.

10) Segment reporting

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

11) Government Grants

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

12) Foreign Currency transactions

In preparing financial statements, transactions in currencies other than Company's functional currency (i.e. foreign currencies) are recognised at rates of exchange prevailing at the date of transactions or an average rate if average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into functional currency at the exchange rate when fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

13) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred under finance costs. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to interest costs.

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

4. New standards issued but not effective

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 on Revenue, Ind AS 11 on Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective from annual periods beginning on or after April 1, 2018 and will be applied accordingly. In this regard, the Company is in the process of carrying out its initial assessment of potential impact on adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable at present.

Notes to financial statements (Contd.)

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

5A PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment	Furniture and fitttings	Office equipments	Vehicles	Total
Gross block					
As at April 1, 2016	**24.48**	**2.20**	**64.98**	**19.77**	**111.43**
Additions	-	0.22	9.13	-	9.35
Disposal	(3.72)	-	(0.63)	(19.77)	(24.12)
As at March 31, 2017	**20.76**	**2.42**	**73.48**	**-**	**96.66**
Additions	-	-	-	-	-
Disposal	(13.10)	(2.40)	(10.52)	-	(26.02)
As at March 31, 2018	**7.66**	**0.02**	**62.96**	**-**	**70.64**
Accumulated depreciation					
As at April 1, 2016	**3.21**	**0.27**	**24.97**	**1.97**	**30.42**
For the year	2.54	0.33	15.75	2.25	20.87
Disposals	(1.03)	-	-	(4.22)	(5.25)
As at March 31, 2017	**4.72**	**0.60**	**40.72**	**-**	**46.04**
For the year	1.89	0.31	7.60	-	9.80
Disposals	(4.26)	(0.91)	(7.78)	-	(12.95)
As at March 31, 2018	**2.35**	**-**	**40.54**	**-**	**42.89**
Net block					
As at **March 31,** 2017	16.04	1.82	32.76	-	50.62
As at March 31, 2018	**5.31**	**0.02**	**22.42**	**-**	**27.75**

5B OTHER INTANGIBLE ASSETS

	Software
Gross block	
As at April 1, 2016	**35.19**
Additions	-
Disposal	-
As at March 31, 2017	**35.19**
Additions	-
Disposal	-
As at March 31, 2018	**35.19**
Accumulated depreciation / amortisation	
As at April 1, 2016	**9.78**
For the year	9.78
Disposals	-
As at March 31, 2017	**19.56**
For the year	9.06
Disposals	-
As at March 31, 2018	**28.62**
Net block	
As at **March 31,** 2017	15.63
As at March 31, 2018	**6.57**

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

		As at March 31, 2018	As at March 31, 2017
6	**INVESTMENTS**		
	Investments in equity instruments measured at cost		
	Investment in subsidiaries		
	Indian :		
i)	9,000 (previous year: 9,000) equity shares of ₹ 10/- each in TVS Next Private Limited, Chennai (formerly known as Blisslogix Technology Solutions Private Limited, India (% of holding - 90%)	**395.00**	395.00
	Foreign :		
ii)	20,000 (previous year: 20,000) non assessable shares of US $ 1 each and 34,817 (previous year: 34,817) non assessable shares of US $ 10 each in TVS Infotech Inc., Michigan, USA (% of holding - 100%)	**168.73**	168.73
		563.73	563.73
	Aggregate value of unquoted investments	**563.73**	563.73
	Aggregate amount of impairment in value of investments	**-**	-

7 OTHER FINANCIAL ASSETS

(Unsecured considered good unless otherwise stated)

	As at 31 March 2018		As at 31 March 2017	
	Non-current	**Current**	Non-current	Current
Security deposits	**9.63**	**-**	18.29	-
Other receivables (refer note below)	**-**	**207.22**	-	-
Unbilled revenue	**-**	**5.53**	-	74.49
	9.63	**212.75**	18.29	74.49

Note: Of the above, other receivables from related parties amounted to ₹ 207.22 (previous year: Nil)

	Year ended March 31, 2018	Year ended March 31, 2017
8 INCOME TAX		
A. Amount recognised in statement of profit and loss		
Current tax (a)		
Current period	**3.10**	-
Tax relating to earlier years (b)	**23.13**	-
Deferred tax (c)		
Attributable to - Origination and reversal of temporary differences	**(11.53)**	0.57
Tax expense (a) + (b) + (c)	**14.70**	0.57

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

B Income tax recognised in other comprehensive income

	As at March 31, 2018			As at March 31, 2017		
	Amount	Tax (expense) / benefit	Net of tax	Amount	Tax (expense) / benefit	Net of tax
Remeasurements of defined benefit liability	7.06	-	7.06	66.72	(7.52)	59.20

	Year ended March 31, 2018	Year ended March 31, 2017
C Income tax recognised directly in equity	-	-

D Reconciliation of effective tax rate

	Year ended March 31, 2018		Year ended March 31, 2017	
	%	Amount	%	Amount
Profit before tax		30.19	-	14.61
Tax using the Company's domestic tax rate	19.06%	5.75	-	-
Effect of:				
Tax relating to earlier years and others	29.63%	8.94	3.90%	0.57
Effective tax rate / current tax expense	48.69%	14.70	3.90%	0.57

E Recognised deferred tax

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets		
Property, plant and equipment	28.73	16.07
Provision for employee benefits	3.28	4.41
Total deferred tax asset	32.01	20.48

F Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

Tax losses	869.83	1,096.65

Tax losses carried forward

Unrecognized tax losses carried forward expire as follows:-

As at March 31, 2018

Expiry date	2018-19	2019-20	2023-24	Total
Expire	510.07	92.58	236.45	839.10
Never expire				30.73
Total	510.07	92.58	236.45	869.83

As at March 31, 2017

Expiry year	2017-18	2018-19	2019-20	2023-24	Total
Expire	226.82	510.07	92.58	236.45	1,065.92
Never expire					30.73
Total loss	226.82	510.07	92.58	236.45	1,096.65

G Other tax assets

	As at March 31, 2018		As at March 31, 2017	
	Non-current	Current	Non-current	Current
Advance tax and tax deducted at source, net of provision	262.32	-	208.90	-
	262.32	-	208.90	-

9 OTHER ASSETS

(Unsecured considered good unless otherwise stated)	**As at 31 March 2018** Non-current	**As at 31 March 2018** Current	As at 31 March 2017 Non-current	As at 31 March 2017 Current
Prepaid expenses	**-**	**9.77**	-	15.98
Balance with statutory/ government authorities	**0.79**	**12.79**	0.79	32.12
Advances recoverable	**64.34**	**2.34**	105.25	5.96
Advances to suppliers	**-**	**0.17**	-	2.13
	65.13	**25.07**	106.04	56.19

10 TRADE RECEIVABLES

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	**154.53**	303.34
Doubtful	**12.25**	-
	166.78	303.34
Loss allowance		
Doubtful	**12.25**	-
	12.25	-
Net trade receivables	**154.53**	303.34
Of the above, trade receivables from related parties are as below:-		
Total trade receivables from related parties	**110.17**	54.92
Loss allowance	**-**	-
Net trade receivables	**110.17**	54.92

The Company's exposure to credit risks and bonus allowance related to trade receivables are disclosed in Note 25.

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

11 CASH AND CASH EQUIVALENTS

Balances with banks in current accounts	**146.43**	130.79
Deposits with original maturity of less than 3 months	**150.00**	162.00
Cash on hand	**0.00***	0.03
	296.43	292.82

* Amount less than ₹ 0.01

Note:

The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended March 31, 2018. However amounts as appearing in the audited financial statements for the period ended March 31, 2017 have been disclosed hereunder

Disclosure required pursuant to G.S.R. 307(E) and G.S.R. 308(E) dated March 30, 2017

Particulars	**Specified Bank Notes**	**Other denomi-nation**	**Total**
Cash on hand as on November 8, 2016	0.11	0.05	0.16
Add: Permitted receipts	-	0.86	0.86
Less: Permitted payments	-	0.87	0.87
Less: Deposits with Banks	0.11	-	0.11
Cash on hand as on December 30, 2016	-	0.03	0.03

12 Share capital

	As at March 31, 2018	As at March 31, 2017
Authorised		
32,000,000 (March 31, 2017: 32,000,000) equity shares of ₹ 10/- each	**3,200.00**	3,200.00
	3,200.00	**3,200.00**
Issued, subscribed and fully paid up		
28,474,929 (March 31, 2017: 28,474,929) equity shares of ₹ 10/- each	2,847.49	2,847.49
	2,847.49	**2,847.49**

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

	As at March 31, 2018 No. of shares	**As at March 31, 2018** Amount	As at March 31, 2017 No. of shares	As at March 31, 2017 Amount
Equity shares of Rs. 10/- each fully paid up				
At the beginning of the year	**28,474,929**	**2,847.49**	25,424,044	2,542.40
Add: Equity shares issued during the year	**-**	**-**	3,050,885	305.09
At the end of the year	**28,474,929**	**2,847.49**	28,474,929	2,847.49

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

(b) Rights, preferences and restrictions attached to 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. The equity shares are entitled to receive dividend as declared from time to time the same is declared. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	**% holding**	No. of shares	% holding
Mrs Usha Krishna, Chennai	**9,593,989**	**33.69%**	9,593,989	33.69%
Sundram Fasteners Investments Limited, Chennai #	**3,330,050**	**11.69%**	3,330,050	11.69%
Sundram Fasteners Limited, Chennai, Holding company #	**15,550,890**	**54.61%**	15,550,890	54.61%
At the end of the year	**28,474,929**	**100.00%**	28,474,929	100.00%

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

(d) The Company does not have any shares reserved for a subsequent issuance.

(e) Capital management

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

For the purpose of Company's capital management, capital includes issued equity capital. The Company would obtain borrowings from external agencies including banks and financial institutions when deemed necessary to meet its financial requirements. The primary objective of Company's capital management is to maximise shareholder value.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Company is relatively a debt free Company and its funding requirements based on business plans are met through a mixture of equity and debt instruments as and when necessary.

13 **Provisions**	**As at March 31, 2018**		As at March 31, 2017	
	Non-current	**Current**	Non-current	Current
Provision for employee benefits				
Gratuity (refer note (a) below)	**2.29**	**36.98**	5.92	34.65
Compensated absences (refer note (b) below)	**6.49**	**4.13**	10.80	3.50
	8.78	**41.11**	16.72	38.15

(a) 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 March 31, 2018	**As at March 31, 2017**
Defined benefit obligation as at the end of the year	40.60	44.32
Fair value of plan assets as at the end of the year	(1.33)	(3.75)
Net defined benefit obligations as at the end of the year	**39.27**	**40.57**
Classification		
- Current	**36.98**	34.65
- Non-current	**2.29**	5.92

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

Changes in present value of the defined benefit obligation	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation at the beginning of the year	**44.32**	71.89
Current service cost	**15.87**	19.26
Interest cost	**2.11**	4.86
Benefits paid	**(14.65)**	(8.28)
Actuarial gain	**(7.05)**	(43.41)
Defined benefit obligation at the year end	**40.60**	44.32
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	**3.76**	0.58
Expected return on plan assets	**0.14**	0.16
Mortality charges and taxes	**(0.42)**	(0.01)
Contribution by employer	**12.49**	11.29
Benefits paid	**(14.65)**	(8.28)
Actuarial gains	**0.01**	0.01
Fair value of plan assets as at the end of the year	**1.33**	3.75
Expense recognised in statement of profit and loss:		
Current service cost	**16.29**	19.26
Interest cost	**1.97**	4.71
	18.26	23.97
Re-measurements recognised in other comprehensive income		
Actuarial gain on plan assets	**(0.01)**	(0.01)
Actuarial gain on defined benefit obligation	**(7.05)**	(43.41)
	(7.06)	(43.42)
Principal actuarial assumptions used :		
Discount rate	**7.20%**	6.80%
Salary escalation rate	**8.00%**	8.00%
Attrition rate	**33.00%**	22.00%

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

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

	Discount rate		**Future salary increases**	
	Increase	**Decrease**	**Increase**	**Decrease**
March 31, 2018				
> Sensitivity Level	1.00%	1.00%	1.00%	1.00%
> Impact on defined benefit obligation	(1.02)	1.08	0.71	(0.69)
March 31, 2017				
> Sensitivity Level	0.50%	0.50%	0.50%	0.50%
> Impact on defined benefit obligation	(0.75)	0.78	0.85	(0.82)

(b) Compensated absences

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

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
14 Trade payables		
Due to others	**60.18**	166.69
Due to related parties (refer note 24)	**121.15**	60.20
	181.33	226.89

All trade payables are current. The Company's exposure to liquidity risks related to trade payables is disclosed in note 25

Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development

('MSMED') Act, 2006

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

Particulars	As at March 31, 2018	As at March 31, 2017
(a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	-	-
(b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(c) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
(e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

	As at March 31, 2018	As at March 31, 2017
15 Other financial liabilities		
Financial liabilities at amortised cost		
Employee benefits payable	**15.59**	41.69
Other payables	**0.22**	6.46
	15.81	48.15
16 Other current liabilities		
Advance from customers	**-**	13.78
Statutory dues	**56.14**	36.64
	56.14	50.42

	Year ended March 31, 2018	Year ended March 31, 2017
17 Revenue from operations		
Rendering of services		
- Domestic	**688.74**	1,027.81
- Export	**39.47**	965.83
	728.21	1,993.64
18 Other income		
Interest income	**11.39**	39.49
Provision no longer required written back	**13.91**	-
Miscellaneous income	**33.08**	0.68
	58.38	40.17
19 Employee benefits expense		
Salaries and wages	**288.17**	1,132.87
Expense related to post-employment benefit	**18.26**	23.97
Contribution to provident and other funds	**17.36**	68.69
Staff welfare expenses	**9.28**	47.71
	333.07	1,273.24
20 Finance costs		
Interest expense on financial liabilities measured at amortised cost	**-**	12.74
	-	12.74

		Year ended March 31, 2018	Year ended March 31, 2017
21	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	**9.80**	20.87
	Amortisation of intangible assets	**9.06**	9.78
		18.86	30.65
22	**Other expenses**		
	Power and fuel	**7.16**	60.44
	Rent	**16.61**	205.48
	Rates and taxes	**10.04**	1.83
	Insurance	**4.84**	4.44
	Repairs and maintenance		
	- building	**1.36**	17.25
	- plant and equipment	**17.67**	27.91
	- other assets	**18.73**	26.04
	Payment to auditors (refer note below)	**2.50**	2.10
	Assets written off	**13.08**	-
	Loss on sale of property, plant and equipment	**-**	14.74
	Traveling and conveyance	**32.61**	91.43
	Postage and telecom expenses	**21.53**	33.47
	Net foreign exchange loss	**2.50**	9.47
	Consultancy charges	**193.52**	125.90
	Bank charges	**2.36**	4.79
	Allowance towards trade receivables	**12.25**	-

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

		Year ended March 31, 2018	Year ended March 31, 2017
	Bad debts written off	**16.79**	22.05
	Miscellaneous expense	**30.92**	55.23
		404.47	702.57
	Note: Payments to auditors		
	As auditor		
	Statutory	**2.00**	0.25
	Tax audit	**0.50**	0.15
	Other services	**-**	1.06
	Reimbursement of expenses	**-**	0.64
		2.50	2.10
23	**Earnings per share (EPS)**		
	Net profit attributable to equity shareholders (A)	**15.49**	14.04
	Weighted average number of equity shares outstanding as at reporting date (B)	**28,474,929**	28,424,081
	Basic earnings per equity share (A/B) (in ₹)	**0.05**	0.05

Diluted EPS

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

24 RELATED PARTIES

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

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

Nature of relationship	Name of the entity
Holding Company	Sundram Fasteners Limited, Chennai,
Key Management Personnel ('KMP')	Mr. Vinod Krishnan – Managing Director.
Subsidiary Company	TVS Next Private Limited., Chennai
	TVS Infotech Inc., USA
Fellow subsidiaries	TVS Upasana Limited, Chennai (Formerly known as Upasana Engineering Limited)
	Sundaram-Clayton Limited
	Global TVS Bus Body Builders Limited
	Rico Logistics Limited
	Sundram Precision Components Limited, Chennai (Formerly known as Sundram Bleistahl Limited)
Enterprise in which shareholders or KMP have significant influence	Upasana Finance Limited, Chennai
	Upasana Properties Private Limited, Chennai

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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

Nature of transaction	Holding company	Subsidiary companies	Fellow Subsidiaries	Key Management Personnel	Enterprise in which shareholder/ KMP has significant influence
Transactions during the year					
Services rendered	548.72	237.83	29.26	-	0.15
	(603.33)	(30.23)	(74.10)	-	(0.15)
Services received	-	195.84	-	-	-
	-	(127.44)	-	-	-
Managerial remuneration	-	-	-	39.55	-
	-	-	-	(40.52)	-
Outstanding balances					
Trade receivables	2.80	89.75	19.61	-	0.17
	(7.63)	(41.81)	(9.77)	-	(0.17)
Trade payables	2.89	118.26	-	-	-
	(2.87)	(57.34)	(0.23)	-	-

(Previous year figures are in brackets)

Terms and conditions of transactions with related parties

All other transactions with related parties are at arm's length and all the outstanding balances other than trade receivable balance are unsecured as per the general business practice of the Company.

Transfer pricing

The Company's international transactions with related parties are at arm's length as per the independent accountant's report for the year ended March 31, 2017. Management believes that the Company's international transactions with related parties for the year March 31, 2018 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

Particulars of Loans, Guarantees and Investments under Companies Act

Pursuant to the requirements laid down under Section 186 of the Companies Act, 2013, the Company has to disclose full particulars of the loans given, investment made or guarantee given or security provided and the purpose for which the loan or guarantee or security is proposed to be utilised by the recipient of the loan or guarantee or security. The same is as follows:-

Name of the body corporate	Financial year	Nature of transaction	Nature of relationship	Amount
TVS Next Private Limited, Chennai (Formerly known as Blisslogix Technology Solutions Pvt Ltd)	2016-17	Investment	Subsidiary	395.00

25 Financial instruments - Fair values and risk management

A Accounting classifications and fair values

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

	March 31, 2018				March 31, 2017			
	FVTPL	**FVOCI**	**Amortised cost**	**Total**	FVTPL	FVOCI	Amortised cost	Total
Financial assets								
Security deposits	**-**	**-**	**9.63**	**9.63**	-	-	18.29	18.29
Other receivables	**-**	**-**	**207.22**	**207.22**	-	-	-	-
Trade receivables/ unbilled revenue	**-**	**-**	**160.06**	**160.06**	-	-	377.83	377.83
Cash and cash equivalents	**-**	**-**	**296.43**	**296.43**	-	-	292.82	292.82
	-	**-**	**673.34**	**673.34**	-	-	688.94	688.94

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

	As at March 31, 2018				As at March 31, 2017			
	FVTPL	FVOCI	Amortised cost	Total	FVTPL	FVOCI	Amortised cost	Total
Financial liabilities								
Trade payables	-	-	181.33	181.33	-	-	226.89	226.89
Employee benefits payable	-	-	15.59	15.59	-	-	41.69	41.69
Other payables	-	-	0.22	0.22	-	-	6.46	6.46
	-	-	197.14	197.14	-	-	275.04	275.04

(ii) 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

This section explains the judgements and estimates made in determining fair values of financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements.

	March 31, 2018				March 31, 2017			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
Financial assets								
Security deposits #	9.63	-	-	-	18.29	-	-	-
Trade receivables/ unbilled revenue #	160.06	-	-	-	377.83	-	-	-
Other receivables #	207.22	-	-	-	-	-	-	-
Cash and cash equivalents #	296.43	-	-	-	292.82	-	-	-
	673.34	-	-	-	688.94	-	-	-
Financial liabilities								
Trade payables #	181.33	-	-	-	226.89	-	-	-
Employee benefits payable #	15.59	-	-	-	41.69	-	-	-
Other payables #	0.22	-	-	-	6.46	-	-	-
	197.14	-	-	-	275.04	-	-	-

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

B Financial risk management

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

- Market risk
- Liquidity risk
- Credit risk

Financial risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

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

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's principal financial liabilities comprises trade and other payables. The Company's principal financial assets include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

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

(i) Market risk

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

(a) Interest rate risk exposure

The Company does not have any borrowings as at the reporting date. Accordingly, the Company is not exposed to any interest rate risks

(b) Foreign currency risk

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

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

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

	Long-term exposure #		Short-term exposure	
	USD	**Euro**	**USD**	**Euro**
March 31, 2018				
Financial assets	168.73	-	119.74	1.69
Financial liabilities	-	-	43.04	-
Net exposure	**168.73**	**-**	**76.70**	**1.69**
March 31, 2017				
Financial assets	168.73	-	156.76	7.34
Financial liabilities	-	-	47.92	-
Net exposure	**168.73**	**-**	**108.84**	**7.34**

primarily consisting of investments in subsidiaries measured at cost

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 EUR/ Rs. exchange rate 'all other things being equal'. A +/- 5% change is considered in these exchange rates for the year ended March 31, 2018 and March 31, 2017. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date.

If the Rs. had strengthened/ weakened against USD by 5% and EUR by 5% during year ended March 31, 2018 (March 31, 2017: 5%), then this would have following impact on profit before tax and equity:

	As at March 31, 2018		As at March 31, 2017	
	Strengthening profit/ (loss)	**Weakening profit/ (loss)**	Strengthening profit/ (loss)	Weakening profit/ (loss)
USD	**13.88**	**(13.88)**	12.27	(12.27)
EUR	**0.37**	**(0.37)**	0.08	(0.08)
	14.25	**(14.25)**	12.36	(12.36)

(ii) Liquidity risk

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

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

Exposure to liquidity risk

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

Particulars	As at March 31, 2018 Contractual cash flows			As at March 31, 2017 Contractual cash flows		
	Carrying amount	**1 year or less**	**More than one year**	Carrying amount	1 year or less	More than one year
Trade payables	**181.33**	**181.33**	**-**	226.89	226.89	-
Employee benefits payable	**15.59**	**15.59**	**-**	41.69	41.69	-
Other payables	**0.22**	**0.22**	**-**	6.46	6.46	-
	197.14	**197.14**	**-**	275.03	275.03	-

(iii) Credit risk

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

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

The carrying amount of financial assets represents the maximum credit exposure.

Particulars	**Note**	**As at March 31, 2018**	As at March 31, 2017
Security deposits	(a)	**9.63**	18.29
Trade receivables including unbilled revenue	(b)	**160.06**	377.83
Other receivables		**207.22**	-
Cash and cash equivalents	(c)	**296.43**	292.82
Total		**673.34**	688.94

(a) **Security deposits**

This balance is primarily constituted by deposit given to various Government authorities. The Company does not expect any losses from non-performance by these counter parties. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

(b) **Trade receivables including unbilled revenue**

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

Exposures to customers outstanding at the end of each reporting period are reviewed by the Company to determine incurred and expected credit losses. Historical trends of impairment of trade receivables do not reflect any significant credit losses. Given that the macro economic indicators affecting customers of the Company have not undergone any substantial change, the Company expects the historical trend of minimal credit losses to continue. Further, management believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk. The impairment loss at the reporting dates related to customers that have defaulted on their payments to the Company and are not expected to be able to pay their outstanding balances, mainly due to economic circumstances.

The Composition of trade receivable balances are as follows:-	**As at March 31, 2018**	As at March 31, 2017
Trade receivables	**154.53**	303.34
Unbilled revenue	**5.53**	74.49
	160.06	377.83

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

The balance from top 5 customers constituted 90.18% (31 March 2017: 78.24%) of the total trade receivable balances. The Company does not expect any losses from non-performance by these counter-parties. As at the reporting date, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. Such amounts analysed by the length of time past due, are as follows:

	As at March 31, 2018			As at March 31, 2017		
	Related parties	**Third parties**	**Total**	Related parties	Third parties	Total
Less than 180 days	**67.94**	**39.81**	**107.75**	41.30	307.30	348.60
More than 180 days	**42.41**	**9.90**	**52.31**	13.78	15.45	29.23
Total	**110.35**	**49.71**	**160.06**	55.08	322.75	377.83

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates are of good credit quality except for Rs. 12.25 arrived based on expected credit loss model which has been recognised as a loss allowance in books.

(c) **Cash and cash equivalents**

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

C Offsetting financial assets and financial liabilities

There are no financial instruments that would offset or are subject to enforceable master netting arrangements as at March 31, 2018 and March 31, 2017.

26 Leases

Operating leases

The Company has taken on lease office facility under operating leases. The leases are for varied periods, which are renewable at the option of the Company. The cancellable arrangement can be terminated by either giving due notice.

(i) Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating leases are as follows:

	As at March 31, 2018	As at March 31, 2017
Payable in less than one year	**110.29**	58.30
Payable between one and five years	**36.76**	-

(ii) Amounts recognised in the statement of profit and loss	**Year ended March 31, 2018**	Year ended March 31, 2017
Lease expense	**16.61**	205.48

27 Contingent liabilities	**As at March 31, 2018**	As at March 31, 2017
Claims against the Company not acknowledged as debts	**13.26**	7.24

28 Consolidated financial statements

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

The Company's subsidiaries as at March 31, 2018 are set out below. The share capital of these subsidiaries are consisting of equity shares that are held directly by the Company, and the proportion of ownership interests held is equivalent to the voting rights held by the Company.

Notes to financial statements for the year ended 31 March 2018 (Contd.)
(All amounts are in lakhs of Indian Rupees, except share data and as stated)

Name of the company	Principal Activities	Country of Incorporation	Ownership interest held by the Company		Ownership interest held by the non-controlling interests	
			March 31, 2018	March 31, 2017	**March 31, 2018**	March 31, 2017
TVS Next Private Limited	Software services	India	**90.00%**	90.00%	**10.00%**	10.00%
TVS Infotech Inc	Software services	USA	**100.00%**	100.00%	**0.00%**	0.00%

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

30 The previous year financial statements have been audited by a firm other than B S R & Co. LLP. Prior year figures have been reclassified/ re-grouped wherever necessary to conform to current year classification.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

S Sethuraman
Partner
Membership No.: 203491

Place: Chennai
Date: 26th April 2018

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

Vinod Krishnan
Managing Director
DIN No.: 00503518

Place: Chennai
Date: 26th April 2018

R Dilip Kumar
Director
DIN No.: 00240372

G Anand Babu
Chief Financial Officer
and Secretary