TVS Next Private Limited

(formerly Blisslogix Technology Solutions Private Limsited)

ANNUAL REPORT

for the year ended
March 31, 2018

The Directors have great pleasure in presenting their Tenth Annual Report together with the audited accounts of the company for the year ended March 31, 2018.

1. Operations:

Gross Revenue for the year 2017 -18 was Rs. 1,579.60 lakhs compared to Rs. 987.77 lakhs during 2016 -17 registering a growth of 60%.

2. Financial Results:

Description	As at 31.03.2018	As at 31.03.2017
	₹ in lakhs	₹ in lakhs
Turnover	**1,567.10**	986.55
Profit before Financial charges, depreciation and Taxation	**159.31**	24.60
Less : Finance Charges	**24.51**	11.06
Profit before depreciation and Taxation	**134.80**	(35.66)
Less: Depreciation	**24.15**	30.61
Profit Before Tax	**110.65**	(66.27)
Less :Taxation		
Current tax	**38.07**	Nil
Deferred Tax Provision	**1.89**	(3.19)
Net profit of the year	**70.69**	(63.08)
Other Comprehensive Income	**(5.91)**	(10.60)
Surplus Brought forward	**4.36**	78.04
Total	**69.14**	4.36
Appropriations:		
Proposed dividend	**Nil**	Nil
Dividend Tax	**Nil**	Nil
Balance Carried to Balance sheet	**69.14**	4.36
TOTAL	**69.14**	4.36

3. Financial Review:

During the year under review, the Company has registered 60% growth in sales at 1,567.10 lakhs. The Company has posted Net Profit of Rs. 70.69 Lakhs.

4. Extract of the Annual Return:

The extract of annual return is as per Annexure I in MGT-9.

5. Number of Meetings of Board of Directors:

During the financial year, the Board of Directors met five times on 22nd May 2017, 17th August 2017, 28th September 2017, 18th December 2017 and 12th March 2018.

6. Directors Responsibility Statement

The Directors confirm that: -

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

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

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

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

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

7. Declaration of Independent Directors

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

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

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

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

Nil

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

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

11. Particulars of contracts or arrangements with related parties:

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

12. Dividend:

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

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

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

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

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

The total foreign exchange earned and used are as under:

a) Foreign exchange earned Rs. 1,044.38 lakhs

b) Foreign exchange used Rs. 10.48 lakhs

15. Risk Management

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

16. Corporate social responsibility initiatives:

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

17. Formal annual evaluation:

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

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

Nil

19. Consolidated financial statement:

The company is not required to prepare Consolidated Financial Statement for the Financial Year 2017 -18

20. Directors:

Sri Jegan Selvaraj, Director, retires by rotation and being eligible offer himself for reappointment.

21. Deposits:

There are no fixed deposits outstanding as on 31st March, 2018 and the company is not accepting any fixed deposits.

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

Nil

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

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

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

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

25. Auditors:

Pursuant to Section 139 of the Companies Act, 2013, M/s Sundaram & Srinivasan, Chartered Accountants, Chennai, (Registration No. 004207S with the Institute of Chartered Accountants of India), were appointed as Auditors of the Company at the annual general meeting of the company held on 17th August 2017, until the ensuing AGM. The Company has received a certificate from the statutory auditors to the effect that if ratification of their appointment, if made, would be in compliance with the requirements of the Companies Act, 2013 and the rules made thereunder. Accordingly, the Board of Directors propose to ratify their appointment of M/s Sundaram & Srinivasan, Chartered Accountants, Chennai as Auditors of the Company until the ensuing AGM.

26. Appointment of company secretary:

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

27. Secretarial Audit:

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

28. Shares:

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

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

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

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

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

As per Annexure III

30. Acknowledgments

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

For and on behalf of the Board

Vinod Krishnan	**Jegan Selvaraj**
Managing Director	Director
DIN No. 00503518	DIN No. 05236708

Place: Chennai
Date: 25th April 2018

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	U72200TN2008PTC067744
Registration Date	14th May, 2008
Name of the Company	TVS Next Private Limited
Category / Sub-Category of the Company	Closely held Private Limited Company
Address of the Registered Office and contact details	98-A, Dr Radhakrishnan Salai Mylapore, Chennai – 600 004
Whether listed company	No
Name, Address and Contact details of the Registrar and Transfer Agent, if any.	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the company	CIN / GLN	Holding / Subsidiary	% of votes held	Applicable Section
1	TVS Infotech Limited 98-A, VII Floor, Dr Radhakrishnan Salai, Mylapore, Chennai – 600 004	U72300TN1994PLC029467	Holding Company	90%	2(46)

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

(i) Category wise shareholding

Category of shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a) Individuals / HUF (Nominees of Bodies Corporate)	-	1,000	1,000	10%	-	1,000	1,000	10%	NIL
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	9,000	9,000	90%	-	9,000	9,000	90%	Nil
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		10,000	10,000	100%	-	10,000	10,000	100%	Nil
Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total shareholding (A)=(A)(1)+(A)(2)	**-**	**10,000**	**10,000**	**100%**	**-**	**10,000**	**10,000**	**100%**	Nil
B. Public Shareholding									
1.Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1)									
2.Non-Institutions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to Rs 1lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
C. Shares held by Custodian for GDRs and ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Grand Total = A+B+C	**-**	**10,000**	**10,000**	**100**	**-**	**10,000**	**10,000**	**100**	Nil

(ii) Shareholding of Promoters

S. No.	Shareholders' 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	TVS Infotech Ltd	9000	90.00%	0	9,000	90.00%	0	-
2	Jegan Selvaraj	800	8.00%	0	800	8.00%	0	-
	Total	**9,800**	**98.00%**	**0**	**9,800**	**98.00%**	**0**	-

(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	**9,800**	**98%**	**9,800**	**98%**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	-	0%	-	0%
	At the end of the year	**9,800**	**98.00%**	**9,800**	**98%**

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

S. No.		Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	**S Arunachalam**	**200**	**2%**	**200**	**2%**
	Date wise Increase / Decrease in Promoters shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)		-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)		200	2%	200	2%

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	Name of the Director / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	At the beginning of the year	Jegan Selvaraj	800	8	800	8
	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		800	8	800	8
2	At the beginning of the year		-	-	-	-
	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		-	-	-	-

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,35,47,893	50,00,000	-	2,85,47,893
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-		-	-
Total (i+ii+iii)	2,35,47,893	50,00,000	**-**	**2,85,47,893**
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	31,99,881	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	203,48,012	50,00,000	-	253,48,012
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**203,48,012**	**50,00,000**	**-**	**253,48,012**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. N.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (₹)
1	Name	Jegan Selvaraj	
	Designation	Director	
1	Gross salary	25,74,144	25,74,144
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25,74,144	25,74,144
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others		
	a) Leave travel concession, once in a year, as per the rules of the Company.	-	-
	b) Payment of premium on personal accident insurance	-	-
	c) Company's contribution to provident fund as per the rules of the Company.	-	-
	Total (A)	**25,74,144**	**25,74,144**

B. Remuneration to other Directors

S. N.	Particulars of Remuneration	Name of Directors		Total Amount (₹ / Lac)
1	Independent Directors	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (1)			
2	Other Non-Executive Directors	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL
	Commission	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL

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

S. N.	Particulars of Remuneration	Name of Key Managerial Personnel	Total Amount (₹ / Lac)
	Name	-	-
	Designation	-	-
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	Total	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure- II

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

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

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

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

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of the contracts / arrangements / transactions	Salient features of the contracts or arrangements or transactions including the value	Date of approval by the Board	Amount paid as advances, if any
1	Sundram Fasteners Limited	Software Services	1 year	Provision of Software Development Services	18.12.2017	Nil
2	TVS Infotech Ltd	Software Services	1 year	Provision of Software Development Services	18.12.2017	Nil

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVS NEXT PRIVATE LIMITED, (FORMERLY KNOWN AS BLISSLOGIX TECHNOLOGY SOLUTIONS PRIVATE LIMITED), CHENNAI FOR THE YEAR ENDED 31ST MARCH 2018.

To

The Members of TVS Next Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of TVS Next Private Limited, Chennai ("the company" formerly known as Blisslogix Technology Private Limited), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income),Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred as to as "financial statement").

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and Changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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.

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations furnished to us, the aforesaid 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;

a) of the state of affairs of the Company as at March 31, 2018;

b) of the **Profit** for the year ended on that date (including Other Comprehensive Income);

c) of the Cash Flows for the year ended on that date; and

d) of the Changes in Equity for the year ended on that date

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in term of sub-section (11) of section 143 of the Act, we give in the "Annexure – A" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
   c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
   d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015.
   e. On the basis of written representations received from the directors as on 31st March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
   f. With respect to the adequacy of internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". [Amended Section 143(3)(i) of the Act coming into effect from 09.02.2018, accordingly our report on internal financial controls with reference to financial statement only]
   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 does not have any pending litigation which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.

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

N.K.Sankar
Partner
Membership No.019280

Place : Chennai
Date : 25th April 2018

ANNEXURE "A" to INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVS NEXT PRIVATE LIMITED (FORMERLY KNOWN AS BLISSLOGIX TECHNOLOGY SOLUTIONS PRIVATE LIMITED), FOR THE YEAR ENDED 31ST MARCH 2018

Annexure referred to in our report under "Report on Other Legal and Regulatory requirements Para 1" of even date on the accounts for the year ended 31st March 2018.

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

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

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

ii) The company did not carry any inventory during the year

iii) The company has not granted any loan to a company, firm, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the order are not applicable to the company.

iv) The company has not granted any loan nor has made any investments, furnished any guarantees or provided any security. Hence reporting on whether there is compliance with provisions of section 185 and 186 of the Companies Act, 2013 does not arise.

v) The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013. Accordingly, the provisions of clause 3 (v) of the order are not applicable.

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

vii) (a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax / Value Added Tax (VAT), Service Tax, Duty of Customs, Duty of Excise, Goods and Services Tax (GST) coming into effect from 1st July 2017, Cess and other statutory dues with the appropriate authorities. However Provident Fund Contributions for the month of June 2017, July 2017 and August 2017 were remitted into Government after delay of one month.

(b) According to the information and explanation furnished to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax / Value Added Tax (VAT), Service Tax, Duty of Customs, Duty of Excise, Goods and Services Tax (GST) coming into effect from 1st July 2017, Cess were in arrears, as at 31st March 2018 for a period of more than six months from the date they became payable.

(c) According to information and explanations furnished to us, the Company has no disputed dues that were not deposited with the concerned authorities:

viii. The company has not availed any term loan from banks or financial institutions. Hence the question of reporting on default in repayment thereof does not arise. The company has not issued any debenture from the date of incorporation.

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

(b) The company has not availed any fresh term loan during the year. The loans availed in earlier years were applied for the purpose for which they were availed.

x) Based on the audit procedures adopted and information and explanations furnished to us by the management, no fraud on or by the company has been noticed or reported during the year.

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

xii) The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the company.

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

(b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer Note no –28 to Financial statements

xiv) According to the information and explanations furnished to us and on an overall examination of the Balance Sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) of the order are not applicable.

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

xvi) The company is not required to register under section 45-IA of the Reserve bank of India Act,1934

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

N.K.Sankar
Partner
Membership No.019280

Place : Chennai
Date : 25th April 2018

ANNEXURE – "B" TO INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TVS NEXT PRIVATE LIMITED (FORMERLY KNOWN AS BLISSLOGIX TECHNOLOGY SOLUTIONS PRIVATE LIMITED), FOR THE YEAR ENDED 31ST MARCH 2018

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

We have audited the internal financial controls over financial reporting of TVS Next Private Limited ("the Company" formerly known as Blisslogix Technology Solutions Private Limited) as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (here in after "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that;

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

II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements .

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on;

i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business .

ii. continuous adherence to Company's policies .

iii. existing procedures in relation to safeguarding of Company's fixed assets, inventories, receivables, loans and advances made and cash and bank balances.

iv. existing system to prevent and detect fraud and errors .

v. accuracy and completeness of Company's accounting records; and

vi. existing capacity to prepare timely and reliable financial information .

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

N.K.Sankar
Partner
Membership No.019280

Place : Chennai
Date : 25th April 2018

Balance Sheet as at 31st March 2018

₹ In Lakh

	Note	As at 31st March 2018	As at 31st March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	**39.86**	63.85
Deferred tax assets (Net)	14	**5.37**	4.48
Financial assets			
- Others	6	**-**	-
Non-current tax assets (net)	7	**37.04**	31.49
Other non-current assets	8	**-**	-
		82.27	99.82
Current assets			
Financial assets			
- Trade receivables	9	**455.16**	308.22
- Cash and cash equivalents	10	**2.50**	2.71
- Others	6	**26.30**	10.92
Other current assets	8	**144.47**	35.65
		628.43	357.50
Total assets		**710.70**	**457.32**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	11	**1.00**	1.00
Other equity		**69.14**	4.36
Total equity		**70.14**	**5.36**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	12	**-**	-
- Other financial liablities			
Provisions	13	**17.11**	43.76
Other non-current liabilities			
		17.11	43.76
Current liabilities			
Financial liabilities			
- Borrowings	12	**253.48**	285.48
Dues to micro and small enterprises		**-**	-
- Trade payables	15	**202.37**	15.65
- Other financial liabilities	16	**22.29**	35.44
Other current liabilities	17	**43.18**	20.25
Provisions	13	**102.13**	51.38
Total liabilities		**623.45**	**408.20**
Total equity and liabilities		**710.70**	**457.32**

Notes 1 to 34 form an integral part of these financial statements

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

For **Sundaram & Srinivasan**
Chartered Accountants
Regn. No. 004207S

N.K. Sankar
Partner
Membership No. 019280

Place : Chennai
Date : 25th April 2018

For and on behalf of the Board of Directors of
TVS Next Private Limited

Vinod Krishnan
Director
(DIN: 00503518)

Jegan Selvaraj
Whole time Director
DIN5236708

Statement of Profit and Loss for the year ended 31st March 2018

₹ In Lakh

	Note	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from operations	18	**1,567.10**	986.55
Other income	19	**12.50**	1.22
Total Income (a)		**1,579.60**	987.77
Expenses			
Employee benefits expense	21	**1,052.87**	846.24
Finance costs	22	**24.51**	11.06
Depreciation and amortization expense	5	**24.15**	30.61
Other expenses	23	**367.42**	166.13
Total expenses (b)		**1,468.95**	1,054.04
Profit before exceptional items and tax c (b-a)		**110.65**	(66.27)
Exceptional item			
Profit before tax		**110.65**	(66.27)
Tax expense			
a) Current tax	24	**38.07**	-
b) Deferred tax		**1.89**	(3.19)
Profit for the year		**70.69**	(63.08)
Profit/ (loss) from discontinued operations			
Tax income/(expense) of discontinued operations			
Profit/ (loss) from discontinued operations (after tax)		**-**	-
Profit/(loss) for the period		**70.69**	(63.08)
Other comprehensive income	**20**		
i) Items that will not be reclassified to profit or loss		**(8.69)**	(11.92)
- Income tax relating to items that will not be reclassified to profit or loss		**2.78**	1.32
		(5.91)	(10.60)
ii) Items that will be reclassified to profit or loss			
- Income tax relating to items that will be reclassified to profit or loss		**-**	-
		-	-
Total comprehensive income for the year *(Comprising Profit and Other Comprehensive Income for the year)*		**64.78**	(73.68)
Earnings per equity share	**25**		
Basic (in ₹)		**706.92**	(630.75)
Diluted (in ₹)		**706.92**	(630.75)

Notes 1 to 34 form an integral part of these financial statements

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

For **Sundaram & Srinivasan**
Chartered Accountants
Regn. No. 004207S

N.K. Sankar
Partner
Membership No. 019280

Place : Chennai
Date : 25th April 2018

For and on behalf of the Board of Directors of
TVS Next Private Limited

Vinod Krishnan
Director
(DIN: 00503518)

Jegan Selvaraj
Whole time Director
DIN5236708

Statements of Changes in Equity for the year ended 31st March 2018

A. Equity Share Capital

₹ In Lakh

Particulars	Amount
Balance at the 31st March 2017	**1.00**
Changes in equity share capital during the year	-
Balance at the 31st March 2018	**1.00**

B. Other Equity

₹ In Lakh

Particulars	Reserves and Surplus			Accumulated other comprehensive income		Total
	General reserve	Capital reserve	Retained Earnings	Equity instruments	Other Items	
Balances at 31st March 2017	**-**	**-**	**17.35**	**-**	**(12.99)**	**4.36**
Profit for the year	-	-	70.69	-	-	70.69
Other comprehensive income	-	-	-	-	(5.91)	(5.91)
Balances at 31st March 2018	**-**	**-**	**88.04**	**-**	**(18.90)**	**69.14**

₹ In Lakh

Particulars	Reserves and Surplus			Accumulated other comprehensive income		Total
	General reserve	Capital reserve	Retained Earnings	Equity instruments	Other Items	
Balances at 31st March 2016	**-**	**-**	**80.43**	**-**	**(2.39)**	**78.04**
Profit for the year	-	-	(63.08)	-	-	(63.08)
Other comprehensive income		-	-	-	(10.60)	(10.60)
Balances at 31st March 2017	**-**	**-**	**17.35**	**-**	**(12.99)**	**4.36**

This is the Statements of Changes in Equity referred to in our report of even date

For **Sundaram & Srinivasan**
Chartered Accountants
Regn. No. 004207S

N.K. Sankar
Partner
Membership No. 019280

Place : Chennai
Date : 25th April 2018

For and on behalf of the Board of Directors of
TVS Next Private Limited

Vinod Krishnan
Director
(DIN: 00503518)

Jegan Selvaraj
Whole time Director
DIN5236708

Statement of cash flows for the year ended 31st March 2018 (under indirect method)

₹ In Lakh

	Year ended 31st March 18	Year ended 31st March 17
Cash flows from operating activities		
Profit before tax	**110.65**	(66.27)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	**24.15**	30.61
(Gain) loss on sale of property and equipment	**0.05**	(0.17)
Provison for leave salary and gratuity	**(8.69)**	-
Interest income	**-**	(0.90)
Interest expenses	**24.51**	11.06
Operating profit before working capital changes	**150.67**	(25.67)
Adjustments for:		
Increase in trade payables	**186.72**	12.86
(Decrease)/ Increase in other current liabilities	**22.93**	34.09
Decrease in trade receivables	**(146.94)**	(190.33)
Increase in other non-current assets	**(43.62)**	(0.68)
Increase in short-term loans and advances	**(13.15)**	-
Decrease in long-term provisions	**(26.65)**	18.82
(Decrease)/increase in short-term provisions	**50.75**	(54.53)
(Increase)/ decrease in other current assets	**(124.20)**	(35.50)
Cash from/ (used in) operating activities	**(94.16)**	(215.27)
Current taxes	**-**	-
Net cash from/ (used in) operating activities before extraordinary item	**56.51**	(240.94)
Net cash from/ (used in) operating activities	**56.51**	(240.94)
B. Cash flow from investing activities		
Purchase of assets	**(0.38)**	(55.17)
Proceeds from sale of fixed assets	**0.17**	0.20
Interest received	**-**	0.90
Net cash from/ (used) in investing activities	**(0.21)**	(54.07)
C. Cash flow from financing activities		
Repayment of short-term borrowings	**(32.00)**	207.98
Repayment of long-term borrowings	**-**	(0.53)
Interest paid to banks and others	**(24.51)**	(11.06)
Net cash generated from financing activities	**(56.51)**	196.39
D. Net Incerease/(Decrease) in cash and cash equivalents (A+B+C)	**(0.21)**	(98.62)
E. Cash and cash equivalents at the beginning	**2.71**	101.33
F. Cash and cash equivalents at the end (refer note no. 10)	**2.50**	2.71
G. Net Increase/(Decrease) in cash and cash equivalents	**(0.21)**	(98.62)
Cash and cash equivalents comprise of:		
Cash on hand	**0.14**	0.06
Balances with banks in current accounts	**2.36**	2.65

This is the Cash Flow Statements referred to in our report of even date

For **Sundaram & Srinivasan**
Chartered Accountants
Regn. No. 004207S

N.K. Sankar
Partner
Membership No. 019280

Place : Chennai
Date : 25th April 2018

For and on behalf of the Board of Directors of
TVS Next Private Limited

Vinod Krishnan
Director
(DIN: 00503518)

Jegan Selvaraj
Whole time Director
DIN5236708

Notes to Financial Statements for the year ended 31st March 2018

1. Corporate Information

TVS Next Private Limited ("TVSN" or "the Company") formerly Blisslogix Technology Solutions Private Limited is incorporated in India and is a subsidiary of TVS Infotech Limited (TVSI) Chennai. Sundram Fasteners Limited (SFL). Chennai is the ultimate controlling party by virtue of TVS Infotech Limited being its subsidiary.

The registered office of the Company is situated at No. 98-A, VII Floor, Dr.Radhakrishnan Salai, Mylapore, Chennai 600004.

The Company is in the business of providing information technology services in the nature of outsourced product development and enterprise application and earns income through export and from domestic market as well.

2. Basis of Preparation

The financial statements of the Company have been prepared on a mercantile basis and as a going concern, in accordance with Indian Accounting Standards (Ind AS) as prescribed by Ministry of Corporate Affairs under Companies (Indian Accounting Standards) Rules, 2015, provisions of the Companies Act 2013, to the extent notified and pronouncements of the Institute of Chartered Accountants of India.

Ind AS is applicable in view of its application to its holding company and ultimate holding company.

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

The financial statements for the year ended 31 March 2018 (including comparatives) are duly adopted by the Board today for consideration and approval by the shareholders. There are no non-adjusting events that are material and which have occurred after the reporting period.

3. Summary of accounting policies

1) Overall considerations

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

2) Revenue Recognition

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

i. Revenue from Services:

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

ii. Interest Income:

Interest incomes are recognized using the time proportion method based on the rates implicit in the transaction. Interest income is included in other income in the statement of profit and loss. However, during the year under report there is no income under this head.

iii. Applicability of New Indian Accounting Standards:

Ind AS 115- Revenue from contracts with customers. This standard is issued but not effective. The standard has no significant impact on current year financials and will be applicable only from the financial year 2018-19.

Notes to Financial Statements (Contd.)

3) Property, plant and equipment

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

a. Purchase Price

b. Taxes and Duties

However, cost does not include excise duty (upto 30.06.2017), value added tax and service tax(upto 30.06.2017), Goods and Service Tax (with effect from 01.07.2017) to the extent credit of the duty or tax is availed of.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

ii. Other cost:

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

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

iii. Depreciation:

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

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

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

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

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

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

f. Component Accounting - Useful life of whole asset and part of the asset:

In respect of all depreciable assets it was noticed that useful life of part of the asset is not significantly different from the "whole of the asset". Accordingly, measurement of depreciation is same for component asset and whole of the asset

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

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

Notes to Financial Statements (Contd.)

4) Impairment

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

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

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

5) Leases

i. Assets leased out

The Company has not leased out any asset.

ii. Assets taken on lease

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

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

6) Investment property

The Company does not own any Investment Property

7) Financial instruments

8.1 Recognition, initial measurement and derecognition:

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Trade receivables are recognised at their transaction value.

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

8.2 Financial Assets

i. Classification and subsequent measurement of financial assets:

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

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

Notes to Financial Statements (Contd.)

ii. Impairment of financial assets:

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

iii. Trade receivables

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

iv. Derecognition of financial assets

A financial asset is derecognised only when;

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

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

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

8.3 Financial Liabilities

i. Classification, subsequent measurement and derecognition of financial liabilities

a. Classification

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

b. Subsequent measurement

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

c. Derecognition

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

8) Inventories

The Company does not have any inventory.

9) Income Taxes

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

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. There is no provision for taxes on income during the year in view of carried forward unabsorbed losses. There is also no liability for tax under Section 115 JB of the Income Tax Act, 1961. Deferred taxes pertaining to items recognised in other comprehensive income (OCI) are disclosed under OCI.

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

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

i. Short term obligations:

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

ii. Defined Benefit Plans:

(a) Leave salary:

The liabilities for earned leave are not expected to be settled wholly within 12 months after end of the period in which the employees render the related service. They are, therefore, recognised and provided for at the present value of the expected future payments to be made in respect of services provided by employee 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in Other Comprehensive Income (OCI).

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

(b) Gratuity:

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. The cost is included in employee benefit expenses in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income (net of deferred tax).

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

Provident Fund:

The eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees salary to Regional Provident Commissioner, Chennai.

Bonus Payable:

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

11) Provisions and contingent liabilities

i. Provisions:

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

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

ii. Contingent liabilities:

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

iii. Contingent Assets:

The Company does not recognise contingent asset.

12) Earnings per share

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

Notes to Financial Statements (Contd.)

13) Cash and Cash equivalents and Cash Flow Statement

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition and which are readily convertible into cash and which are subject to only an insignificant risk of changes in value.

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

14) Segment reporting

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

15) Borrowing costs

There is no acquisition of qualifying asset during the year and hence interest on borrowings is not capitalised.

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

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

(i) Significant management judgment

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

Recognition of deferred tax assets

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

(ii) Estimation of uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is mentioned below. Actual results may be different.

Notes to Financial Statements (Contd.)

a. Impairment of non-financial assets

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

b. Useful lives of depreciable assets

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

c. Inventories

The Company does not have any inventory.

d. Defined benefit obligation (DBO)

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

e. Fair value measurement

Management has used valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets.

f. Current and non-current classification

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

Notes to Financial Statements (Contd.)

5 PROPERTY, PLANT AND EQUIPMENT

₹ In Lakh

Gross value i.e. cost	Plant and Equipment	Furniture and fixtures	Office Equipments	Vehicles	Total
As at 31st March 2016	**31.63**	**8.91**	**5.65**	**4.91**	**51.10**
Additions	55.03	-	0.13	-	55.16
Disposal	(0.05)	(0.77)	(0.62)	-	(1.44)
As at 31st March 2017	**86.61**	**8.14**	**5.16**	**4.91**	**104.82**
Additions	-	-	0.38		0.38
Disposal	-	-	-	(0.56)	(0.56)
As at 31st March 2018	**86.61**	**8.14**	**5.54**	**4.35**	**104.64**

₹ In Lakh

Accumulated depreciation/ amortisation	Plant and Equipment	Furniture and fixtures	Office Equipments	Vehicles	Total
As at 31st March 2016	**6.43**	**1.66**	**2.15**	**1.54**	**11.78**
For the year	**27.06**	**1.71**	**1.22**	**0.62**	**30.61**
Deduction on disposal	(0.05)	(0.77)	(0.60)	-	(1.42)
As at 31st March 2017	**33.44**	**2.60**	**2.77**	**2.16**	**40.97**
For the year	**21.24**	**0.95**	**1.01**	**0.95**	**24.15**
Deduction on disposal	-	-	-	(0.34)	(0.34)
As at 31st March 2018	**54.68**	**3.55**	**3.78**	**2.77**	**64.78**
Net carrying amount					
As at 31st March 2017	**53.17**	**5.54**	**2.39**	**2.75**	**63.85**
As at 31st March 2018	**31.93**	**4.59**	**1.76**	**1.58**	**39.86**

		As at 31st March 2018		As at 31st March 2017	
		Non Current	Current	Non Current	Current
		₹ In Lakh	₹ In Lakh	₹ In Lakh	₹ In Lakh
6	**OTHER FINANCIAL ASSETS**				
	(Unsecured considered good)				
	Rent advance	-	0.20	-	-
	Employees Advances	-	26.10		10.92
		-	26.30	-	10.92
7	**TAX ASSETS (NET)**				
	Advance Income-tax and tax deducted at source (net of provision ₹ in lakhs 64.63/- Last year ₹ In lakhs 26.55/-)	37.04	-	31.49	-
		37.04	-	31.49	-
8	**OTHER ASSETS**				
	(Unsecured, considered good)				
	Prepaid expenses	-	11.36	-	7.91
	Balance with statutory/government authorities	-	39.87	-	3.78
	Advances to suppliers	-	0.30	-	0.30
	Unbilled revenue		92.94		23.66
		-	144.47	-	35.65
9	**TRADE RECEIVABLES**				
	(Unsecured, considered good)				
	Trade receivables (offered as collateral for working capital loan availed from bank)		455.16		308.22
			455.16		308.22
10	**CASH AND CASH EQUIVALENTS**				
	Balances with banks in current accounts		2.36		2.65
	Cash on hand		0.14		0.06
			2.50		2.71

Notes to Financial Statements (Contd.)

	As at 31st March 2018		As at 31st March 2017	
	Number	**₹ in Lakh**	Number	₹ in Lakh
11 SHARE CAPITAL				
Authorised	**10,000**	**1.00**	10,000	1.00
Equity shares of ₹ 10 each				
	10,000	**1.00**	10,000	1.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	**10,000**	**1.00**	10,000	1.00
	10,000	**1.00**	10,000	1.00

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

Particulars	No of shares
Number of shares as on 01st April 2017	**10,000**
Issue of equity share capital during the year	-
Number of shares as on 31st March 2017	**10,000**
Issue of equity share capital during the year	-
Number of shares as on 31st March 2018	**10,000**

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

	2018		2017	
	Nos.	**% holding**	Nos.	% holding
TVS Infotech Limited Chennai	**9,000**	**90%**	9,000	90%
Mr Jegan Selvaraj, Chennai	**800**	**8%**	800	8%

c) Rights, preferences, restrictions

Equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

d) Capital Management

The Company' s capital management objectives are:

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

- to provide an adequate return to shareholders

by pricing products and services commensurate with the level of risk

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

Management continuously assesses the Company's capital requirements in order to maintain an efficient overall financing structure.

₹ in lakh

	31st March 2018	31st March 2017
Borrowings	253.48	285.48
Cash and cash equivalents	(2.50)	(2.71)
Capital (a)	**250.98**	282.77
Total equity	70.14	5.36
Overall financing (b)	**70.14**	5.36
Gearing ratio (a/b *100)	**3.58**	**52.76**

	As at 31st March 2018		As at 31st March 2017	
	Non Current	**Current**	Non Current	Current
	₹ in Lakh	₹ in Lakh	₹ in Lakh	₹ in Lakh
12 BORROWINGS				
a) Secured				
Term loan from bank	**-**	**24.60**	-	49.43
Working Capital Loan	**-**	**178.88**	-	186.05
	-	**203.48**	-	235.48
	-	**203.48**	-	235.48
b) Unsecured				
Term loan from a Director		**50.00**		50.00
	-	**50.00**	-	50.00
Total	**-**	**253.48**	-	285.48

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

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

ii) Term loan from bank is secured against Laptop computers

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

	As at 31st March 2018		As at 31st March 2017	
	Non Current	**Current**	Non Current	Current
13 PROVISIONS				
(i) Employee benefits - Gratuity (refer note a(i) and b below)	**3.05**	**53.17**	32.71	5.85
(ii) Other employee benefits - leave salary (refer a(ii) and c below)	**14.06**	**8.45**	11.05	4.88
(iii) Bonus (refer note d below)	**-**	**40.51**	-	40.65
	17.11	**102.13**	43.76	51.38

a) Provision for employee benefits

i) Gratuity

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

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

	As at 31st March 2018 ₹ in Lakh	As at 31st March 2017 ₹ in Lakh
Net employee benefit expense (recognized in Employee benefit expense)		
Current Service cost	**13.34**	11.70
Interest cost on benefit obligation	**2.59**	1.55
Expected return on plan assets	**-**	(0.19)
Net actuarial loss recognized in the year	**-**	7.64
Past service cost	**0.05**	-
Liability not accounted	**-**	-
Net benefit expense	**15.98**	20.70

Notes to Financial Statements (Contd.)

	As at 31st March 2018 ₹ in Lakh	As at 31st March 2017 ₹ in Lakh
Balance sheet		
Details of Provision for Gratuity		
Defined benefit obligation at the beginning of the year	**56.22**	41.47
Fair value of plan assets	**3.05**	2.92
Less: Unrecognized past service cost	**-**	-
Less: Liability not funded	**(56.22)**	(38.56)
Plan Liability (adjusted from operating revenue/retained earning)	**3.05**	5.83
Changes in present value of the defined benefit obligation are as follows:		
Defined benefit obligation at the beginning of the year	**41.46**	21.38
Interest cost	**2.80**	1.55
Current Service cost	**13.34**	11.70
Past Service cost	**0.05**	-
Benefits paid	**-**	(0.87)
Actuarial loss on obligation	**(1.43)**	7.70
Defined benefit obligation at the year end	**56.22**	41.46
Changes in the fair value of plan assets are as follows:		
Fair value of plan assets at the beginning of the year	**2.92**	3.05
Expected return	**0.21**	0.20
Contribution by employer	**0.93**	0.49
Benefits paid	**-**	(0.87)
Mortality Charges and Taxes	**(0.99)**	-
Actuarial loss on obligation	**(0.02)**	0.06
Defined benefit obligation at the year end	**3.05**	2.92
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :		
% of Investment with insurer	**100.00**	100.00
% of Investment in Government Bonds	**-**	-
% of Balance with Bank	**-**	-
Total	**100.00**	100.00
Principal actuarial assumptions used :		
Discount rate	**7.20%**	6.75%
Salary escalation rate	**8.00%**	10.00%
Attrition rate	**34.00%**	20.00%

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

	As at 31st March 2018 ₹ in Lakh	As at 31st March 2017 ₹ in Lakh

(ii) Compensated absences

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

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

Current Service cost	**6.37**	5.59
Interest cost on benefit obligation	**0.72**	0.52
Net actuarial (gain)/ loss recognised	**10.11**	4.27
	17.20	10.38

Principal actuarial assumptions used :

Discount rate	**7.20%**	6.75%
Salary escalation rate	**8.00%**	10.00%
Attrition rate	**34.00%**	20.00%

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

A quantitative sensitivity analysis for significant assumption as at 31st March 2018 is as shown below:

Gratuity plan:

Assumptions	**Discount rate**		**Future salary increases**	
	Increase	**Decrease**	**Increase**	**Decrease**
31st March 2018				
> Sensitivity Level	1.00%	1.00%	1.00%	1.00%
> Impact on defined benefit obligation	(1.63)	1.72	(1.16)	1.12
31st March 2017				
> Sensitivity Level	0.50%	0.50%	0.50%	0.50%
> Impact on defined benefit obligation	(1.34)	1.40	1.08	(1.05)

₹ In Lakh

	As at 31st March 2018	As at 31st March 2017
b) Movement in provision for gratuity		
Balance at the beginning of the year	**38.56**	26.87
Created during the year	**17.66**	26.67
Reversed during the year	**-**	(14.98)
Balance at the end of the year	**56.22**	38.56

Notes to Financial Statements (Contd.)

₹ In Lakh

		As at 31st March 2018	As at 31st March 2017
c)	**Movement in provision for leave salary**		
	Balance at the beginning of the year	**15.93**	-
	Created during the year	**6.58**	21.41
	Reversed during the year	-	(5.48)
	Balance at the end of the year	**22.51**	**15.93**
d)	**Movement in provision for bonus**		
	Balance at the beginning of the year	**40.65**	**91.30**
	Created during the year	**0.04**	1.14
	Reversed during the year	**(0.18)**	(51.79)
	Balance at the end of the year	**40.51**	40.65

14 DEFERRED TAX ASSET, NET

The breakup of net deferred tax asset is as follows:

Deferred tax liability arising on account of :			
Timing difference between depreciation/amortisation as per financials and depreciation as per tax		(0.78)	0.44
	A	**(0.78)**	**0.44**
Less: Deferred tax asset arising on account of :			
Minimum Alternate Tax Credit Entitlement			
Provision for employee benefits		4.59	4.92
Others			
	B	4.59	4.92
Net deferred tax liability	**(A-B)**	**(5.37)**	**(4.48)**

₹ in lakh

Amount recognised in	**01st April 2017**	**Recognised in Other comprehensive Income**	**Recognised in Statement of Profit and loss**	**31st March 2018**
Deferred tax liability arising on account of : Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	0.44	-	(1.22)	(0.78)
Less: Deferred tax asset arising on account of :				
Provision for employee benefits	4.92	2.78	(3.11)	4.59
Others				
Total	**(4.48)**	**(2.78)**	**1.89**	**(5.37)**

₹ in lakh

Amount recognised in	01st April 2016	Recognised in Other comprehensive Income	Recognised in Statement of Profit and loss	31st March 2017
Deferred tax liability arising on account of :				
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	0.33	-	0.11	0.44
Less: Deferred tax asset arising on account of :				
Timing difference between depreciation/ amortisation as per financials and depreciation as per tax	0.29	1.32	3.31	4.92
Total	**0.04**	**(1.32)**	**(3.20)**	**(4.48)**

		As at 31st March 2018 ₹ in Lakhs	As at 31st March 2017 ₹ in Lakhs
15	**Trade payables**		
	Trade payables	**202.37**	15.65
		202.37	15.65
a)	**Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006*:**		
i)	Principal amount remaining unpaid	-	-
ii)	Interest due thereon	-	-
iii)	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
iv)	Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
v)	Interest accrued and remaining unpaid as at 31st March 2015	-	-
vi)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
		-	-

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

16	**OTHER FINANCIAL LIABILITIES**		
	Non statutory dues	**-**	0.89
	Outstanding liabilities	**22.29**	34.55
		22.29	35.44
17	**OTHER CURRENT LIABILITIES**		
	Customer advances	**0.27**	-
	Statutory dues	**42.91**	14.58
	Unearned revenue	**-**	5.67
		43.18	20.25

Notes to Financial Statements (Contd.)

₹ in Lakh

		Year ended 31st March 2018	Year ended 31st March 2017
18	**REVENUE FROM OPERATIONS**		
	Rendering of Services		
	- Domestic	**521.59**	309.18
	- Overseas	**1,045.51**	677.37
	Revenue from operations	**1,567.10**	986.55
19	**OTHER INCOME**		
	Interest Income	**-**	0.90
	Net foreign exchange gain	**10.83**	-
	Miscellaneous Income	**1.67**	0.15
	Profit on Sale of Assets	**-**	0.17
		12.50	1.22
20	**OTHER COMPREHENSIVE INCOME**		
	Other Comprehensive Income		
	i) Items that will not be reclassified to profit or loss		
	- Re-measurement gains (losses) on defined benefit plans	**(8.69)**	(11.92)
	Income tax effect	**2.78**	1.32
		(5.91)	(10.60)
21	**EMPLOYEE BENEFITS EXPENSE**		
	Salaries and wages	**952.19**	773.55
	Leave salary	**4.83**	4.45
	Contribution to provident and other funds	**67.37**	53.57
	Welfare expenses	**28.48**	14.67
		1,052.87	846.24
22	**FINANCE COSTS**		
	Interest	**24.51**	11.06
		24.51	11.06

₹ in Lakh

		Year ended 31st March 2018	Year ended 31st March 2017
23	**OTHER EXPENSES**		
	Power & fuel	**38.21**	2.57
	Rent	**121.75**	16.87
	Insurance	**15.37**	0.94
	Repairs and maintenance		
	- Building	**14.67**	-
	- Plant & Equipment	**10.31**	3.65
	- Other assets	**15.87**	2.25
	Audit fee (refer note 26)	**0.50**	0.50
	Travel Expenses	**22.71**	23.97
	Consultancy	**54.13**	35.85
	Subscriptions	**18.21**	6.65
	Exchange Fluctuation	**-**	15.21
	Bad debts	**28.32**	30.64
	Miscellaneous expenses (Under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 10 lakhs whichever is higher)	**27.38**	27.03
		367.42	166.13
24	**TAX EXPENSES RELATING TO CONTINUING OPERATIONS**		
	Current tax on profits for the year	**38.07**	-
	Deferred tax:		
	Relating to origination and reversal of temporary differences	**1.89**	(3.19)
	Income tax expense recognised in the statement of Profit and Loss	**39.96**	(3.19)
	Tax expenses for the year reconciled to the accounting profit		
	Profit / (loss) before tax	**110.65**	(66.27)
	Income tax rate	**27.5525%**	33.063%
	Tax expenses	**30.49**	-
	Previous year tax adjustments	**-**	-
	Effect of disallowances and reversals	**9.47**	(3.19)
	Tax expense recognised in the Statement of Profit and Loss	**39.96**	(3.19)
	Other Comprehensive Income		
	Deferred tax related to items recognised in OCI during the year:		
	a) Provision for employee benefits	**2.78**	1.32
		2.78	1.32

₹ in Lakh

	Year ended 31st March 2018	Year ended 31st March 2017
25 EARNINGS PER EQUITY SHARE (EPS)		
Nominal value of equity shares	**10.00**	10.00
Profit attributable to equity shareholders (A)	**70.69**	(63.08)
Weighted average number of equity shares outstanding during the year (B)	**10,000**	10,000
Basic earnings per equity share (A/B) (in ₹)	**706.92**	(630.75)
Dilutive effect on profit (C)		-
(Loss)/profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	**70.69**	(63.08)
Dilutive effect on weighted average number of equity shares outstanding during the year (E)	**-**	-
Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	**10,000**	10,000
Diluted earnings per equity share (D/F) (in ₹)	**706.92**	(630.75)
26 REMUNERATION TO AUDITORS CONSIST OF		
a) As Auditors	**0.25**	0.25
b) Taxation Matters	**0.25**	0.25
	0.50	0.50

Summary of significant accounting policies and other explanatory information for the year ended 31st March 2018

27 RELATED PARTY DISCLOSURES

Related Parties :

(I) Where Control exists:

(A) Ultimate Parent Company (which also unltimate controlling party)

Sundram Fasteners Limited, Chennai

(B) Parent Company

TVS Infotech Limited, Chennai

(C) Fellow -Subsidiary Companies

i. Indian

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

ii. Overseas

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

(D) Individual Investor

Mr.Jegan Selvaraj holds 8% of the paid up equity share capital of the Company. He was holding 80% of the paid up equity share capital of the company upto 11th April 2016. He is also a Whole-Time Director (WTD) of the Company

(E) The Consolidated fianancial statements as required by IND AS 110 are preapred by the Ultimate Parent Company viz. Sundram Fasteners Limited which is also the ultimate controling party

Notes to Financial Statements (Contd.)

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

						₹ In Lakh
Nature of transaction	**Investor Company**	**Associate**	**Joint Venture**	**Individual Investor-cum- Key Management Personnel i.e. WTD**	**Relatives of Key Management Personnel**	**Enterprise in which key management personnel have significant influence**
Services						
Rendered						
1. Sundram Fastners Limited, Chennai	53.66					
	(29.72)					
2. TVS Infotech Limited, Chennai	172.41					
	(75.80)					
Received						
1. TVS Infotech Limited, Chennai	190.09					
Finance						
Interest on loan availed from WTD				5.00		
				(4.36)		
Others						
Remuneration paid to Key Management Personnel i.e WTD						
a. Short term employee benefits						
Salary and allowances				25.74		
				(29.61)		
Contribution to Providend Fund				**0.22**		
b. Post employment and other long term benefits						
Contribution for gratuity and compensated absences as the incremental liability has been accounted for by the company as whole.						
c. Share based payments						
Outstanding balances Due to the Company						
1. Sundaram Fastners Limited, Chennai	12.63					
	(0.04)					
2. TVS Infotech Limited, Chennai	27.06					
	(9.42)					
Due by the Company						
1. TVS Infotech Limited, Chennai	207.22					
	(0.69)					
2. To WTD				50.00		
				(50.00)		
(Previous year figures are in brackets)						

Notes to Financial Statements (Contd.)

Summary of significant accounting policies and other explanatory information (Contd.)

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

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations . The Company's principal financial assets include trade and other receivables, cash and short-term deposits that derive directly from its operations.

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

a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating activities.

c) Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31st March 2018 (31st March 2017: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

₹ In Lakh

		As at 31st March 2018	As at 31st March 2017
Profit before tax			
Increase	**+1%**	113.28	(68.33)
Decrease	**-1%**	107.98	(64.21)
Equity before tax			
Increase	**+1%**	107.79	3.31
Decrease	**-1%**	113.09	7.43

d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's borrowings in foreign currency.

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

₹ In Lakh

	Short term exposure			**Long-term exposure**		
	GBP	**USD**	**Euro**	**GBP**	**EUR**	**USD**
31st March 2018						
Financial assets	-	214.91	148.77	1.38	-	-
Financial liabilities	-	-	-	-	-	-
31st March 2017						
Financial assets	-	154.50	91.13	-	-	-
Financial liabilities	-	-	-	-	-	-

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

Notes to Financial Statements (Contd.)

Foreign currency sensitivity

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/ ₹ exchange rate and Euro/₹ exchange rate 'all other things being equal'. It assumes a +/- 10% change of the ₹/USD exchange rate for the year ended at 31st March 2018 (31st March 2017: 10%). A +/- 5% change is considered for the ₹/Euro exchange rate for the year ended (31st March 2017: 5%). Both of these percentages have been determined based on the average market volatility in exchange rates in the previous 12 months. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and also takes into account forward exchange contracts that offset effects from changes in currency exchange rates.

If the ₹ had strengthened against the USD by 10% during the year ended 31st March 2018 (31st March 2017: 10%) and Euro by 5% during the year ended 31st March 2018 (31st March 2017: 5%) respectively then this would have had the following impact profit before tax and equity before tax:

		31st March 2018	31st March 2017
Profit before tax			
USD	**+10%**	(10.43)	(81.72)
Euro	**+5%**	(1.91)	(70.82)
		(12.34)	**(152.54)**
Equity before tax			
USD	**+10%**	(14.48)	(10.08)
Euro	**+5%**	(3.93)	(2.36)
		(18.41)	**(12.44)**

If the INR had weakened against the USD by 10% during the year ended 31st March 2018 (31st March 2017: 10%) and Euro by 5% during the year ended 31st March 2018 (31st March 2017: 5%) respectively then this would have had the following impact:

Profit before tax			
USD	**-10%**	32.56	(50.82)
Euro	**-5%**	12.97	(61.71)
		45.53	**(112.53)**
Equity before tax			
USD	**-10%**	28.50	20.81
Euro	**-5%**	10.95	9.92
		39.45	**30.73**

f) Credit risk

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

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. At 31st March 2018, the Company had 5 customers that owed the Company more **than ₹ 10 lakhs** each and accounted for approximately 80% of all the receivables outstanding. At 31st March 2017, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. The amounts at 31st March 2017, analysed by the length of time past due, are:

₹ in lakh

	As at 31st March 2018	**As at 31st March 2017**
Not more than 3 months	443.81	304.71
More than 3 months but not more than 6 months	11.35	3.52
More than 6 months but not more than 1 year	-	-
More than one year	-	-
	455.16	**308.23**

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

The Company's management considers that all of the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

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

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

h) Liquidity risk

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

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

₹ in lakh

Year ended 31st March 2018	On demand	Less than 6 months	6 months to 1 year	Greater than 1 year
Interest-bearing loans and borrowings	-	253.48	-	-
Other financial liabilities	-	22.29	-	-
Trade and other payables	-	202.37		-
Financial guarantee contracts	-	-	-	-
	-	**478.14**	**-**	**-**

Year ended 31st March 2017	On demand	Less than 6 months	6 months to 1 year	Greater than 1 year
Interest-bearing loans and borrowings (other than convertible preference shares)	-	285.48	-	-
Other financial liabilities	-	35.44	-	-
Trade and other payables	-	14.10	1.55	-
Financial guarantee contracts	-	-	-	-
	-	**335.02**	**1.55**	**-**

29 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the 31st March 2018 reporting date and the date of adoption of financial statement

Notes to Financial Statements (Contd.)

30 Commitments, contingent liabilities and contingent assets

	31st March 2018 ₹ in Lakh	31st March 2017 ₹ in Lakh
a) Operating lease commitments		
(i) The company has not entered into any lease agreements which are in the nature of operating leases.	-	-
(ii) Significant Leasing arrangements:		
The company does not have any lease arrangements	-	-
b) Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
c) Contingent liabilities		
- Claims against the company not acknowledged as debt;	-	-
Legal claims		
- Sales Tax / entry Tax - under appeal	-	-
- Excise Duty / Customs Duty / Service Tax - under appeal	-	-
- Income-tax - under appeal	-	-
- Others	-	-

31 FAIR VALUE MEASUREMENT HIERARCHY

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

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

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

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

₹ In Lakh

Particulars	Carrying Amount	Fair Value			Total	Carrying Amount	Fair Value			Total
	31-Mar-18	Level 1	Level 2	Level 3		31-Mar-17	Level 1	Level 2	Level 3	
Financial Assets										
(i) Non-current										
Investments	-	-	-	-	**-**	-	-	-	-	**-**
Security deposits	-	-	-	-	**-**	-	-	-	-	**-**
(ii) Current										
Trade receivables	455.16	-	-	-	**455.16**	308.22	-	-	-	**308.22**
Cash and Cash equivalents	2.50	-	-	-	**2.50**	2.71	-	-	-	**2.71**
Other financial assets	26.30	-	-	-	**26.30**	10.92	-	-	-	**10.92**
Total Financial Assets	**483.96**	**-**	**-**	**-**	**483.96**	**321.85**	**-**	**-**	**-**	**321.85**
Financial Liabilities										
Borrowings - Long Term	-	-	-	-	**-**	-	-	-	-	**-**
Borrowings - Short Term	253.48	-	-	-	**253.48**	285.48				**285.48**
Trade Payables	202.37	-	-	-	**202.37**	15.65				**15.65**
Unclaimed wages & Salaries	-	-	-	-	**-**	-				**-**
Other liabilities	22.29	-	-	-	**22.29**	35.44				**35.44**
Total Financial Liabilities	**478.14**	**-**	**-**	**-**	**478.14**	**336.57**	**-**	**-**	**-**	**336.57**

Notes to Financial Statements (Contd.)

32 FAIR VALUE DISCLOSURE

₹ In Lakh

Particulars	31-Mar-18				31-Mar-17			
	FVTPL	FVOCI	Amortised Cost	Total	FVTPL	FVOCI	Amortised Cost	Total
Financial Assets								
Investments	-	-	-	**-**	-	-	-	**-**
Trade receivables	-	-	455.16	**455.16**	-	-	308.22	**308.22**
Cash and Cash equivalents	-	-	2.50	**2.50**	-	-	2.71	**2.71**
Other financial assets	-	-	26.30	**26.30**			10.92	**10.92**
Total Financial Assets	**-**	**-**	**483.96**	**483.96**	**-**	**-**	**321.85**	**321.85**
Financial Liabilities								
Borrowings - Long Term			-	**-**			-	**-**
Borrowings - Short Term	-	-	253.48	**253.48**	-	-	285.48	**285.48**
Trade Payables	-	-	202.37	**202.37**	-	-	15.65	**15.65**
Other Financial Liabilities	-	-	22.29	**22.29**	-	-	35.44	**35.44**
Total Financial Liabilities	**-**	**-**	**478.14**	**478.14**	**-**	**-**	**336.57**	**336.57**

33 Director's Sitting fees

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

34 Corporate Social Responsibility

The provisions pertaining to Corporate Social Responsibility are not applicable.

Notes 1 to 34 form an integral part of these financial statements

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

For **Sundaram & Srinivasan**
Chartered Accountants
Regn. No. 004207S

N.K. Sankar
Partner
Membership No. 019280

Place : Chennai
Date : 25th April 2018

For and on behalf of the Board of Directors of
TVS Next Private Limited

Vinod Krishnan
Director
(DIN: 00503518)

Jegan Selvaraj
Whole time Director
DIN5236708