

# REIMAGINING TOMORROW, TODAY!





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**320+**  
WALK-IN  
CENTRES

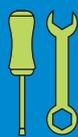


**19,000+**  
PINCODES SERVICED

**47**  
COLLECTION  
POINTS



**120**  
SEAT MULTI-  
LANGUAGE  
CALL CENTER



**1**  
REPAIR  
CENTRE

**6**  
BRANCH  
OFFICES

**90%**  
DISTRICTS  
COVERED



**14**  
WAREHOUSES



**700+**  
SERVICE PARTNERS

**5,000+**  
FEET ON STREET

A FUTURISTIC NETWORK BUILT FOR SERVICE, WITHIN YOUR REACH.  
TVS-E has proven the capability of Pan-India reach and last-mile connect,  
which has further strengthened our position as the most trusted  
technical support solutions provider.



## Corporate Information

### Board of Directors

Gopal Srinivasan, Chairman  
Srilalitha Gopal, Managing Director  
M Lakshminarayan  
M F Farooqui  
R S Raghavan  
K Balakrishnan  
V Sumantran  
Subhasri Sriram

### Committees of the Board

#### Audit Committee

Subhasri Sriram, Chairperson  
M Lakshminarayan  
M F Farooqui  
K Balakrishnan  
V Sumantran  
R S Raghavan

#### Stakeholders' Relationship Committee

V Sumantran, Chairman  
Srilalitha Gopal  
K Balakrishnan

#### Nomination and Remuneration Committee

M F Farooqui, Chairman  
M Lakshminarayan  
K Balakrishnan  
Subhasri Sriram

#### Corporate Social Responsibility Committee

M Lakshminarayan, Chairman  
K Balakrishnan  
R S Raghavan

#### Company Secretary & Compliance Officer

K Santosh

### Chief Financial Officer

A Kulandai Vadivelu  
(w.e.f. 6<sup>th</sup> April, 2020)

### Statutory Auditors

Deloitte Haskins & Sells,  
Chartered Accountants  
ASV N Ramana Tower,  
52, Venkatnarayana Road  
T Nagar, Chennai – 600 017.

### Secretarial Auditors

V Suresh, FCS,  
Practicing Company Secretary,  
No.28, 1st Floor, Ganapathy Colony,  
3rd Street, Teynampet,  
Chennai-600 018

### Cost Auditor

P Raju Iyer, Cost Accountant,  
17 (Old No.8), "Shree Ram Villa",  
Hasthinapuram Main Road,  
Nehru Nagar, Chromepet,  
Chennai – 600 044.

### Bankers

IDFC Bank  
RBL Bank

### Website

[www.tvs-e.in](http://www.tvs-e.in)

### Investor E-mail ID

[investorservices@tvs-e.in](mailto:investorservices@tvs-e.in)

### Corporate Identity Number

L30007TN1995PLC032941

### Registered Office

249-A, Ambujammal Street,  
Off TTK Road Alwarpet,  
Chennai-600 018  
Tel: 91-44-42954800  
Email ID: [contactus@tvs-e.in](mailto:contactus@tvs-e.in)

### Administrative Office

Arihant E Park, No 117/1  
9<sup>th</sup> Floor, L B Road  
Adyar, Chennai - 600 020  
Tel:91-44-4200 5200  
Fax No: 91-44-2225 7577

### Plant / Repair Factories locations

#### Uttarakhand

No. E12, Selaqui Industrial Estate,  
Selaqui, Dehradun,  
Uttarakhand - 248 197

#### Tumkur

Panditanahalli, Hirehalli Post,  
Tumkur District, Karnataka - 572 168

### Share Transfer Agents

Integrated Registry Management  
Services Private Limited  
2nd floor, 'Kences towers'  
No. 1, Ramakrishna street,  
North Usman road, T Nagar,  
Chennai - 17.  
Phone: 044 - 28140801 - 803  
Fax: 044 - 28142479  
Email: [srirams@integratedindia.in](mailto:srirams@integratedindia.in)

### Shares Listed at

BSE Limited  
National Stock Exchange of India Limited

**Financial Highlights - Standalone - Ten Years at a glance**

₹ in Lakhs										
Particulars	PREVIOUS GAAP					IND AS				
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>PROFIT AND LOSS ACCOUNT</b>										
Revenue from operations	21,661	23,525	24,742	27,006	59,349	252,316	410,890	275,684	25,872	22,460
Other Income	375	250	220	97	154	307	220	373	533	206
<b>Total Income</b>	<b>22,036</b>	<b>23,775</b>	<b>24,962</b>	<b>27,103</b>	<b>59,503</b>	<b>252,623</b>	<b>411,110</b>	<b>276,057</b>	<b>26,405</b>	<b>22,666</b>
Earnings before interest Depreciation and Tax (EBITDA)	1,303	1,080	1,375	1,706	1,977	1,747	3,033	1,831	1,274	1,061
Depreciation	504	619	566	697	860	593	446	368	1,040	777
<b>Profit before Interest and Tax (EBIT)</b>	<b>799</b>	<b>461</b>	<b>809</b>	<b>1,009</b>	<b>1,117</b>	<b>1,154</b>	<b>2,587</b>	<b>1,463</b>	<b>234</b>	<b>284</b>
Finance costs	659	965	743	692	573	281	142	41	236	190
<b>PBT</b>	<b>141</b>	<b>(504)</b>	<b>66</b>	<b>317</b>	<b>544</b>	<b>873</b>	<b>2,445</b>	<b>1,422</b>	<b>(2)</b>	<b>94</b>
Tax Expense	1	297	26	88	113	240	821	678	(41)	17
<b>PAT</b>	<b>140</b>	<b>(801)</b>	<b>40</b>	<b>229</b>	<b>431</b>	<b>633</b>	<b>1,624</b>	<b>744</b>	<b>39</b>	<b>77</b>
<b>BALANCE SHEET</b>										
Share Capital	1,787	1,787	1,802	1,802	1,855	1,861	1,861	1,861	1,865	1,865
Reserves & Surplus	2,464	1,664	1,749	1,969	2,486	4,925	6,496	6,837	6,197	6,314
<b>Networth</b>	<b>4,251</b>	<b>3,451</b>	<b>3,551</b>	<b>3,771</b>	<b>4,341</b>	<b>6,786</b>	<b>8,357</b>	<b>8,698</b>	<b>8,062</b>	<b>8,179</b>
Loan Funds	6,608	6,518	5,796	5,330	3,466	2,137	329	-	1,443	-
<b>Capital Employed</b>	<b>10,859</b>	<b>9,969</b>	<b>9,347</b>	<b>9,101</b>	<b>7,807</b>	<b>8,923</b>	<b>8,686</b>	<b>8,698</b>	<b>9,505</b>	<b>8,179</b>
Deferred Tax Liability / (Asset)	48	345	385	376	373	(434)	(171)	127	2	(26)
<b>Total</b>	<b>10,907</b>	<b>10,314</b>	<b>9,732</b>	<b>9,477</b>	<b>8,180</b>	<b>8,489</b>	<b>8,515</b>	<b>8,825</b>	<b>9,507</b>	<b>8,153</b>
<b>Net Fixed Assets</b>	<b>4,929</b>	<b>4,651</b>	<b>4,489</b>	<b>4,073</b>	<b>3,843</b>	<b>3,215</b>	<b>2,798</b>	<b>3,068</b>	<b>2,669</b>	<b>2,583</b>
<b>Investments</b>	<b>811</b>	<b>214</b>	<b>134</b>	<b>134</b>	<b>41</b>	<b>742</b>	<b>523</b>	<b>57</b>	<b>96</b>	<b>110</b>
Current Assets	9,445	9,261	8,735	10,025	11,844	33,951	100,113	13,347	15,065	14,256
Current Liability & Provision	4,278	3,812	3,626	4,755	7,548	29,419	94,919	7,647	8,323	8,796
<b>Net Current Assets</b>	<b>5,167</b>	<b>5,449</b>	<b>5,109</b>	<b>5,270</b>	<b>4,296</b>	<b>4,532</b>	<b>5,194</b>	<b>5,700</b>	<b>6,742</b>	<b>5,460</b>
<b>Total</b>	<b>10,907</b>	<b>10,314</b>	<b>9,732</b>	<b>9,477</b>	<b>8,180</b>	<b>8,489</b>	<b>8,515</b>	<b>8,825</b>	<b>9,507</b>	<b>8,153</b>
<b>RATIOS</b>										
EPS (₹)	0.8	(4.5)	0.2	1.3	2.2	3.4	8.7	4.0	0.2	0.4
Dividend (%)	-	-	-	-	-	5%	15%	15%	15%	-
Book Value per Share (₹)	24	19	20	21	23	36	45	47	43	44
Return on Capital Employed (ROCE %)	7.4%	4.6%	8.7%	11.1%	14.3%	12.9%	29.8%	16.8%	2.5%	3.5%
Return on networth (RONW %)	3.3%	(23.2%)	1.13%	6.07%	9.93%	9.33%	19.43%	8.55%	0.48%	0.94%
Fixed Asset Turnover Ratio	6.6	4.9	5.4	6.3	15.0	71.5	136.7	94.0	9.0	8.6
Working Capital Turnover Ratio	4.5	4.4	4.7	5.2	12.4	57.2	84.5	50.6	4.2	3.7
Debt Equity Ratio	1.6	1.9	1.6	1.4	0.8	0.3	0.0	-	0.2	-
EBITDA as % of Sales	6.0%	4.6%	5.6%	6.3%	3.3%	0.7%	0.7%	0.7%	4.9%	4.7%
EBIT as % of Sales	3.7%	2.0%	3.3%	3.7%	1.9%	0.5%	0.6%	0.5%	0.9%	1.3%
Net profit as % of Total Income	0.6%	(3.4%)	0.2%	0.8%	0.7%	0.3%	0.4%	0.3%	0.2%	0.3%
R&D (Revenue and Capital) Expenditure as a % of Total Income	0.5%	0.4%	0.4%	0.4%	0.0%					
R&D (Revenue and Capital) Expenditure	117	102	94	113	-					

## Financial Highlights - Standalone - Ten Years at a glance - Segment Wise

		₹ in Lakhs									
Particulars		PREVIOUS GAAP					IND AS				
		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
<b>1</b>	<b>Segment Revenue</b>										
	a) Products & Solutions									15,065	13,943
	b) Customer support service IT Products & Technical Services	22,036	23,775	24,962	27,103	29,557	30,225	22,359	22,335	8,298	6,898
	c) Fulfillment & Distribution Services	-	-	-	-	29,946	222,091	388,531	253,349	2,509	1,619
	<b>Net Sales / Income from operations</b>	<b>22,036</b>	<b>23,775</b>	<b>24,962</b>	<b>27,103</b>	<b>59,503</b>	<b>252,316</b>	<b>410,890</b>	<b>275,684</b>	<b>25,872</b>	<b>22,460</b>
<b>2</b>	<b>Segment Results (Profit before tax and interest from each segment)</b>										
	a) Products & Solutions									1,005	765
	b) Customer support service IT Products & Technical Services	799	461	872	985	810	(116)	737	983	(1,337)	(746)
	c) Fulfillment & Distribution Services					94	963	1,261	620	33	59
	<b>Total</b>	<b>799</b>	<b>461</b>	<b>872</b>	<b>985</b>	<b>904</b>	<b>847</b>	<b>1,998</b>	<b>1,603</b>	<b>(299)</b>	<b>78</b>
	Less: i) Finance cost	659	965	743	692	573	281	142	41	236	190
	Add : Other Income						307	220	218	533	206
	Profit before tax from ordinary activities before tax and exceptional items	<b>141</b>	<b>(504)</b>	<b>129</b>	<b>293</b>	<b>331</b>	<b>873</b>	<b>2,076</b>	<b>1,780</b>	<b>(2)</b>	<b>94</b>
	Add: Exceptional items			(63)	-	189	-	369	(358)		
	Profit from ordinary activities before tax and after exceptional items	141	(504)	66	293	520	873	2,445	1,422	(2)	94
	Add: Extraordinary items			-	24	23	-	-	-		
	<b>Profit before tax after extraordinary items</b>	<b>141</b>	<b>(504)</b>	<b>66</b>	<b>317</b>	<b>543</b>	<b>873</b>	<b>2,445</b>	<b>1,422</b>	<b>(2)</b>	<b>94</b>
<b>3</b>	<b>Capital Employed</b>										
	<b>(Segment Assets - Segment Liabilities)</b>										
	a) Products & Solutions									3,903	2,688
	b) Customer support service IT Products & Technical Services	10,859	9,969	9,347	9,101	9,235	7,825	6,345	7,194	3,695	2,650
	c) Fulfillment & Distribution Services					(1,228)	(2,108)	(2,836)	(651)	142	21
	d) Unallocated					(200)	1,069	4,848	2,155	322	2,820
	<b>Total</b>	<b>10,859</b>	<b>9,969</b>	<b>9,347</b>	<b>9,101</b>	<b>7,807</b>	<b>6,786</b>	<b>8,357</b>	<b>8,698</b>	<b>8,062</b>	<b>8,179</b>
	<b>RATIOS</b>										
<b>4</b>	<b>EBIT as % of Sales</b>										
	a) Products & Solutions									6.7%	5.5%
	b) Customer support service IT Products & Technical Services	3.6%	1.9%	3.5%	3.6%	2.7%	-0.4%	3.3%	4.4%	-16.1%	-10.8%
	c) Fulfillment & Distribution Services					0.3%	0.4%	0.3%	0.2%	1.3%	3.7%
	<b>Total EBIT as % of Sales</b>	<b>3.6%</b>	<b>1.9%</b>	<b>3.5%</b>	<b>3.6%</b>	<b>1.5%</b>	<b>0.3%</b>	<b>0.5%</b>	<b>0.6%</b>	<b>-1.2%</b>	<b>0.3%</b>

ROCE is Profit before Interest and Tax divided by Capital Employed; RONW is Profit after Tax divided by Network.

Movements in Reserves and Surplus represents changes in PAT net of dividend and dividend tax, movement in cost of ESOP and Investment Allowance.

Fixed Assets Turnover Ratio is Sales divided by Average Net Fixed Assets as at the end of the year; Working Capital Turnover Ratio is Sales divided by Average Net Current Assets as at the end of the year.

The financial results for the year 2011-12 include the effects of "Customer Support Service" business acquired from TVS-E Servicetec Limited, Chennai effective from 1st October, 2011.

PBT is after exceptional item of expenditure for the FY 2013-14 - ₹ 63.45 Lakhs (Previous Year - NIL)

EBITDA for 2014-15 includes Extraordinary income of ₹ 24 lakhs arising out of sale of land.

The Revenue from Operations for 2015-16 includes income from Distribution Services of ₹ 29946 Lakhs and FY 2016-17 ₹ 232012 Lakhs

EBITDA for 2015-16 includes Extraordinary income of ₹ 24 lakhs arising out of sale of land and exceptional income of ₹ 189 lakhs from sale of long term investments.

EBITDA for 2017-18 includes Exceptional item of ₹ 369 lakhs arising out of sale of land and other assets at oragadam.

The financial statements for 2017-18 have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.

Up to the year ended March 31, 2017, the company prepared its financial statements in accordance with the requirements of previous GAAP

The date of transition to Ind AS is April 1, 2016 and hence the previous year financials have been restated as per Ind AS to make it comparable

The financial results have been regrouped/reclassified wherever necessary as per the requirements

## Management Discussion and Analysis

### Economy & Industry outlook:

- Global Economy Outlook
  - o GDP growth trend FY22
  - o Further global development will depend on the path of the health crisis
- Indian Economy Outlook
  - o GDP growth trend FY22
  - o Various Government initiatives to boost the Indian Economy
  - o As vaccination campaign continues, India looks forward to stronger FY22
- IT & ITeS, IT Peripherals and Consumer Electronics
  - o Industry wise GDP growth/Market Size
  - o Industry wise Initiatives taken by Govt for the specific industries

### Company Overview & Our Business Verticals

- Products & Services offerings, Performance update

### Growth Outlook & Industry Focus

- Current market size
- Market Growth Data (Incl. projected growth)
- Government initiatives/Incentives – Market Specific
- Opportunities for TVS-E
- Industry Focus:
  - o Electronics, Retail Industry, Industry Revolution 4.0
  - o Smart Products (Security, entertainment, HVAC, energy management etc.)
  - o Power Products – (UPS Break-fix and Maintenance)
  - o EV Market, IT Infrastructure Management Services

### Financial and Operational Highlights

- Business Verticals – Highlights
- FY20 and FY21 – Quarter wise Comparison, Ratios

### Business Risks

- Geopolitical risk – Dependency
- Technology risk – Printing Technology
- Information security risk – Customer Data
- Reputation risk – Service Agents visiting Customer Places

### Covid-19 Readiness and Business continuity plan

- Primary Objective – Safety and Financial wellbeing of the Company
- Medical Insurance for employees and engineers
- Vaccination Drive, detailed SOP for safety, Doctor on call facility for employees and partners
- Robust Treasury plan for Cash Management, Procurement Planning to ensure manufacturing
- Digitization for remote resolution & training

### Internal Control Systems and adequacy of Internal Financial Controls

### Business Planning and Information Technology

### Human Resource Development

### Corporate Social Responsibility

Health, Education, Culture & Heritage

- Oxygen Concentrator, Vaccination drives - Covid-19, TSS Medical Centre
- Scholarships, Donations for promoting education
- Donation for Ram Janmabhoomi

### Cautionary Statement

# Management Discussion and Analysis

## Economy and Industry Outlook

### Global Economy Outlook:

One year into the Covid-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature. Even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible. Now, we have multiple vaccines that can reduce the severity and frequency of infections. In parallel, adaptation to pandemic life has enabled the global economy to do well despite subdued overall mobility, leading to a stronger-than-anticipated rebound, on average, across regions. Additional fiscal support in some economies, on top of an already unprecedented fiscal response last year and continued monetary accommodation further uplift the economic outlook.

According to International Monetary Fund (IMF) *Report, April 2021*, after an estimated contraction of  $-3.3\%$  in 2020, the global economy is projected to grow at  $6\%$  in 2021, moderating to  $4.4\%$  in 2022. The contraction for 2020 is 1.1% points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working.

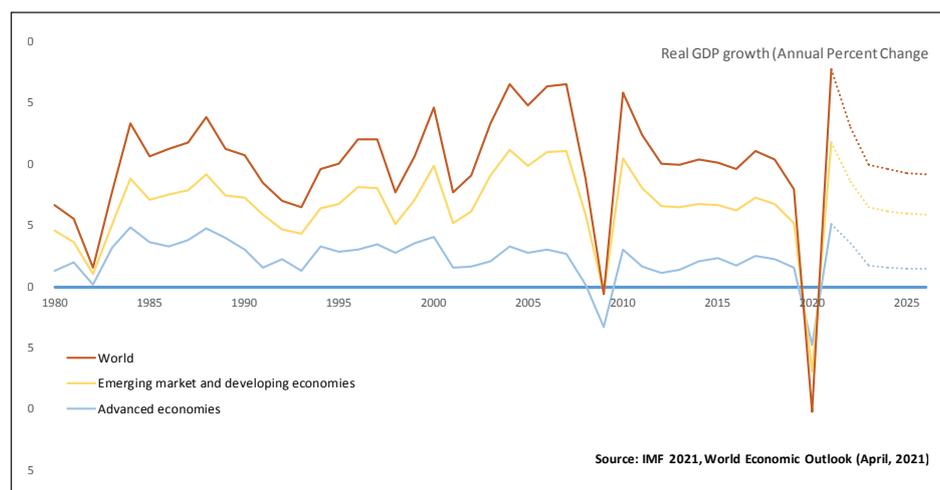
The projections for 2021 and 2022 are 0.8% point and 0.2% point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and

the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to be moderate to  $3.3\%$  over the medium term reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the Covid-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

Future developments will depend on the path of the health crisis, including whether the new Covid-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage; the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. The flow of these drivers and their interaction with country-specific characteristics will determine the pace of the recovery and the extent of medium-term persisting economic damage across countries. In many aspects, this crisis is unique. In certain countries, policy support and lack of spending opportunities have led to large increases in savings that could be unleashed very quickly should uncertainty dissipate.

### Indian Economy Outlook:

India implemented a strict lockdown in 2020 to curtail spreading of the Covid-19 outbreak and concentrated on expanding the country's infrastructure & health facilities. According to the Economic Survey 2020-21, the lockdown was a critical element in 'flattening the curve' and saving people's lives. As per the report of United Nations, India's growth is projected to grow at  $7.5\%$  per cent for calendar year 2021, marking a 0.2 per cent increase from its projection in January 2021, but said the country's outlook for the year remains highly fragile. It also projected India's GDP to grow by  $10.1\%$  per cent in 2022. "India has been particularly affected by a brutal second wave which is overwhelming the public health system in large parts of the country."



## Management Discussion and Analysis (Contd.)

According to IBEF May 2021 report, in April-December 2020, India registered a current account surplus of US\$ 32.4 billion (1.7% of the GDP). From October 2020 to February 2021, the central government's capital expenditure increased by 104.4% YoY. As per Comptroller and Auditor General (CAG), the gross capital expenditure of 25 states increased by 7.29% YoY in the third quarter of FY21. Impact on the country's overall economy is reflected in an improvement in real GDP growth (0.4%) and real gross fixed capital formation that expanded at 2.6% in the third quarter of FY21.

As per IBEF report, In March 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 55.4. Conditions in the manufacturing sector are gradually improving with firms boosting production and witnessing increased revenue.

On March 25, 2021, the Lok Sabha and Rajya Sabha passed the National Bank for Financing Infrastructure and Development Act, 2021. The National Bank for Financing Infrastructure and Development (NaBFID) is being developed as a development finance institution (DFI) with the aim of achieving a lending portfolio of ₹ 5 lakh crore (US\$ 66.93 billion) in three years. NaBFID will also complement the government's continuing steps to enhance resources for infrastructure projects worth ₹ 111 lakh crore (US\$ 1.49 trillion) by 2024 under the National Infrastructure Pipeline (NIP).

The budgeted outlay for capital expenditure for FY22 has been increased by 34.5% over FY21 (BE), with emphasis on railways, highways, urban transportation, electricity, telecom, textiles and affordable housing, as well as continued focus on the NIP. The limit on foreign investments in Indian insurance companies has been increased from 49% to 74%, as stated in the Union Budget. The act would enable foreign insurance firms to take a more strategic and long-term approach to India's insurance market, bringing in more long-term resources, global technology, processes and international best practises.

A significant recovery in investment growth, backed by the Atmanirbhar Bharat Mission (self-reliant India), and a substantial increase in infrastructure and capital expenditure proposed in the Union Budget 2021-22 will be instrumental in this robust recovery.

India has been well equipped to tackle any risk exposure raised by the recent increase in Covid-19 reports as the vaccination campaign continues to scale up in India, driven by best practices from the country's effective management of the pandemic in its first wave. With the end of a challenging FY21, India looks forward to a stronger and more self-sufficient FY22.

## Industry Outlook

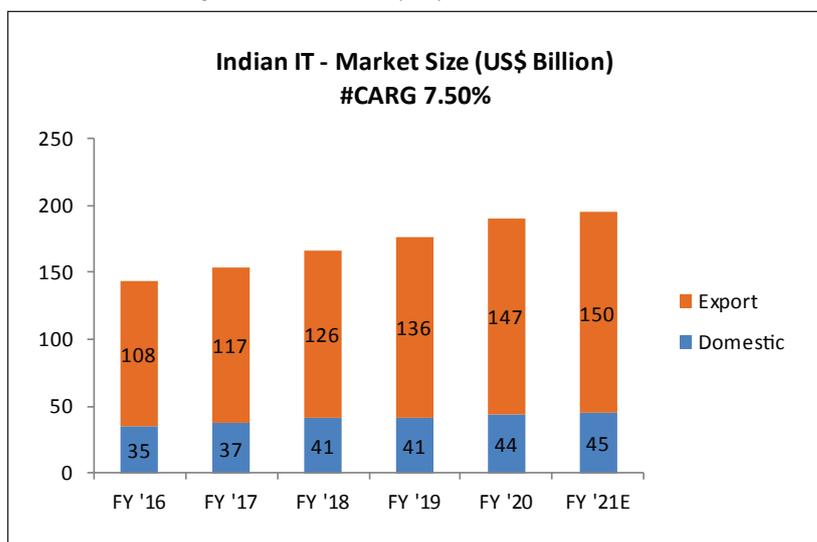
### IT & ITes:

India has the world's largest talent pool of technical graduates in the world. According to National Association of Software and Service Companies (NASSCOM), the Indian IT industry's revenue is estimated to reach US\$ 194 billion in FY21, an increase of 2.3% YoY. The domestic revenue of the IT industry is estimated at US\$ 45 billion and export revenue is estimated at US\$ 150 billion in FY21.

The push towards cloud services has boosted hyper-scale data centre investments, with global investments estimated to exceed US\$ 200 billion annually by 2025. India is expected to gain a significant share in the global market, with the country's investment expected to hit US\$ 5 billion annually by 2025. The IT industry accounted for 8% of India's GDP in 2020. Exports from the Indian IT industry is estimated at 1.9% to reach US\$ 150 billion in FY21. Artificial Intelligence (AI) is expected to boost India's annual growth rate by 1.3% by 2035, as per NITI Aayog. A substantial increase in AI by Indian firms can result in a 2.5% increase in India's Gross Domestic Product (GDP) in the immediate term.

The computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) inflows worth US\$ 62.47 billion between April 2020 and September 2020. The sector ranked 2<sup>nd</sup> in FDI inflows as per the data released by Department for Promotion of Industry and Internal Trade (DPIIT). In 2020, PE investments in the sector stood at US\$ 7.5 billion. IT & BPM led the venture capital (VC) investment with 380 deals in 2020, contributing 71% to the total deal count. The Covid-19 pandemic has accelerated the demand for third-party data centre services in India.

According to IBEF Report (Feb 2021), the market size of Indian IT industry is projected to grow from US\$ 35 Billion (Domestic) and US\$108 Billion (Export) in FY16 to US\$45 Billion (Domestic) and US\$ 150 Billion (Export) in FY21. The market size of India's IT & BPM sector is expected to grow to US\$ 350 billion by 2025 and BPM is expected to account for US\$ 50-55 billion out of the total revenue. Spending on information technology in India is expected to reach US\$ 144 billion in 2023. The cloud market in India is expected to grow three-fold to US\$ 7.1 billion by 2022 with the help of growing adoption



Source: IBEF Report (Feb, 2021) and NASSCOM, Gartner, News Articles

# CARG is for total of domestic and export

of Big Data, analytics, artificial intelligence and Internet of Things (IoT) according to Cloud Next Wave of Growth in India report. India's digital economy is estimated to reach US\$ 1 trillion by 2025.

Major initiatives taken by the Government of India to promote IT and ITeS sector in India:

- India's Ministry of Home Affairs and the National Critical Information Infrastructure Protection Centre are working on a new national strategy to strengthen the country's cybersecurity amid allegations that Chinese intrusions may have affected operations at a key stock exchange and supply of electricity in Mumbai.
- In Budget 2021, the government has allocated ₹ 53,108 crore (US\$ 7.31 billion) to the IT and telecom sector.
- Department of Telecom, Government of India and Ministry of Communications, Government of Japan signed a MoU to enhance cooperation in areas of 5G technologies, telecom security and submarine optical fibre cable system.
- In 2020, the government released simplified the "Other Service Provider" (OSP) guidelines to improve the ease of doing business in the IT Industry, Business Process Outsourcing (BPO) and IT-enabled Services.

India is the topmost offshoring destination for IT companies across the world. Having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for IT firms in India. The industry is expected to grow to US\$ 350 billion by 2025.

### IT Peripherals:

While several industries reel under the Covid-19 lockdown impact, PC and laptops have seen a massive surge in bulk buying from corporate and enterprises to keep their workforce at home, safe and connected. The fourth quarter of 2020 saw global shipments grow 26.1% YOY to 91.6 million units, according to preliminary results from the International Data Corporation (IDC) Worldwide Quarterly Personal Computing device tracker. The same category of devices grew 13.1% YOY for the full year 2020 with the catalysts being work from home, remote learning, and restored consumer demand.

Demand is pushing the PC market forward and all signs indicate this surge still has a way to go. The obvious drivers for last year's growth centred on work from home and remote learning needs, but the strength of the consumer market should not be overlooked. The gaming PCs and monitor sales are at all-time highs and chrome-based devices are expanding beyond education into the consumer market. In retrospect, the pandemic not only fuelled PC market demand but also created opportunities that resulted in a market expansion.

In India, the computer peripherals industry is riding high on the back of the ever-widening IT base. Input, Output and Input/output (I/O) devices make up the computer peripherals market. Input devices include keyboards, mouse, scanners, microphones, barcode readers, digital cameras etc. whereas output devices comprise printers (impact and non-impact), plotters and monitors, terminals, projectors, speakers and auxiliary memory devices such as disk drives etc.

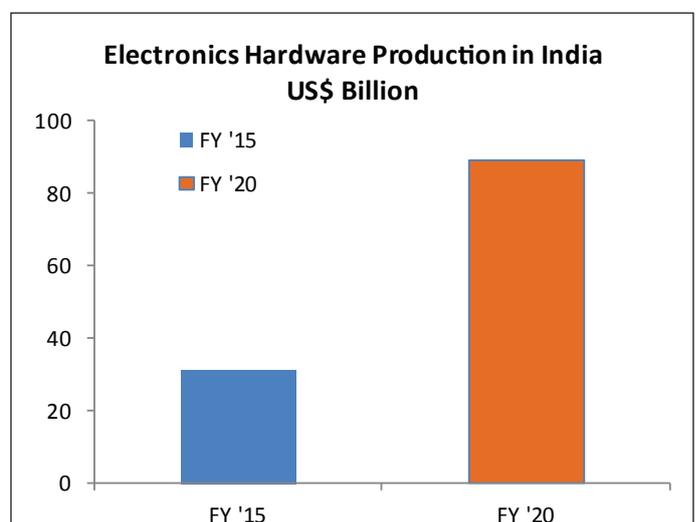
Every segment of the supply chain was stretched to its limits as production once again lagged behind demand. Not only were PC makers and ODMs dealing with component and production capacity shortages, but logistics remained an issue as vendors were forced to resort to air freight, upping costs at the expense of reducing delivery times. The global supply chain will depend on the path of the health crisis, including whether the new Covid-19 strains prove susceptible to vaccines or they prolong the pandemic.

The growth of this sector is driven by initial cost, recurring cost, brand names, warranty as well as innovation in product design. Another important demand driver is the number of functions, which a product may be able to perform. Most of the demand comes from sectors such as banking and finance, insurance, telecom, education, manufacturing and retail. The demand has also increased with the number of international companies opening offices in India, across all sectors.

### Consumer Electronics:

While 2020 was challenged by the pandemic, it also opened doors for opportunities and innovation for the consumer durables industry. The first few months of lockdown were challenging for many, but the latter half of the year proved to be beneficial for those who adapted to the evolving market realities. With the gradual unlocking, new demand trends and subsequent product innovations began to emerge. Consumer centricity took centre stage as the white goods industry came up with new technologies for purification and sanitisation that are sought after in the new normal. Despite the temporary interruptions earlier this year, it is safe to say that the consumer durables industry is on the path of growth from a long-term perspective.

As per IBEF March 2021 report, the Electronics Hardware productions in India has increased from US\$ 31.1 billion in FY15 to US\$ 89.4 Billion in FY20. According to Retailers Association of India (RAI),



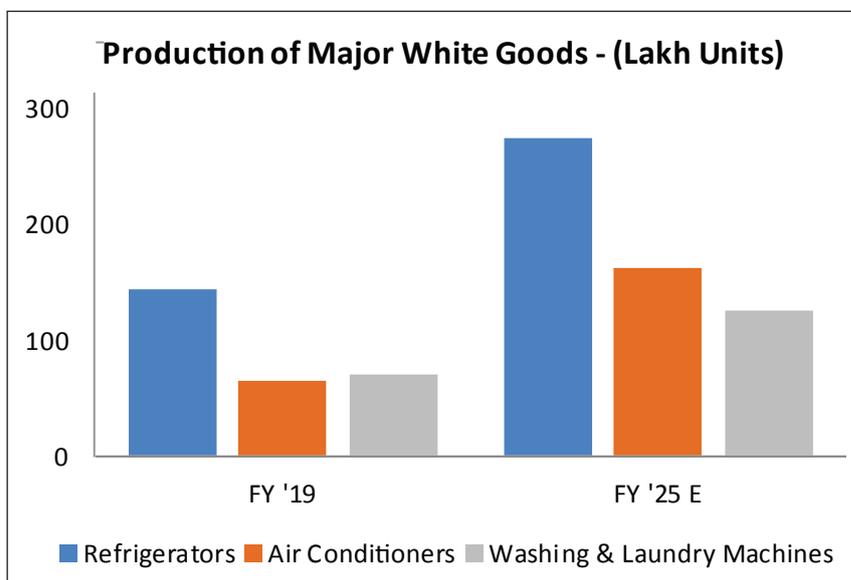
Source: IBEF March 2021 Report

## Management Discussion and Analysis (Contd.)

sales of consumer electronics increased by 2% in September 2020 and 8% in October 2020, as compared with same months in the last year. Electronics hardware production in the country increased from ₹ 4.43 trillion (US\$ 72.38 billion) in FY19 to ₹ 5.47 trillion (US\$ 89.38 billion) in FY20. Demand for electronics hardware in India is expected to reach US\$ 400 billion by FY24. The 'National Policy on Electronics 2019' is targeting production of one billion mobile handsets valued at US\$ 190 billion by 2025, out of which 600 million handsets valued at US\$ 100 billion are likely to be exported. In 2020, the Indian government targeted China with new restrictions on colour televisions and mobile phones.

According to IBEF March 2021 report, the production of major white goods viz. Refrigerators, Air Conditioners and Washing & Laundry Machines is expected to grow from 145, 65 & 70 lakh units respectively to 275, 163 & 126 lakh units respectively by FY25. As of FY20, electronics, domestic appliance and air conditioner market in India were estimated to be around ₹ 5,976 crore (US\$ 0.86 billion), ₹ 17,873 crore (US\$ 1.80 billion) and ₹ 12,568 crore (US\$ 2.56 billion), respectively. Television industry in India is projected to reach ₹ 955 billion (US\$ 13.66 billion) by the end of 2021.

By FY22, television industry in India is estimated to reach ₹ 1,227.34 billion (US\$ 17.56 billion). According to India Cellular & Electronics Association (ICEA), India has the potential to achieve a value of US\$ 100 billion in manufacturing of laptops and tablets by 2025. Smartphone shipments in India increased 8% YOY to reach 152.5 million units in 2019, thereby making it the fastest growing among the top 20 smartphone markets in the world.



Source: IBEF March 2021 Report

The Government of India is influencing the development of the Indian appliance and consumer electronics market by strongly promoting the "Make in India" initiative by increasing the custom duty on imports of washing machines, refrigerators and other appliances. As a result, domestic brands have felt a growing pressure to manufacture products locally and are planning investment in manufacturing and backward integration. The Indian Government has taken various initiatives to promote and develop the Indian appliance and consumer electronics market:

- The National Policy on Electronics 2019 is targeting production of one billion mobile handsets valued at US\$ 190 billion by 2025, out of which 600 million handsets valued at US\$ 100 billion are likely to be exported.
- The Government of India has allowed 100% Foreign Direct Investment (FDI) under the automatic route in Electronics Systems Design and Manufacturing sector. FDI into single brand retail has been increased from 51% to 100%; the government is planning to hike FDI limit in multi-brand retail to 51%.
- In September 2020, the Government of India planned to offer production-linked incentives worth ₹ 1.68 trillion (US\$ 23 billion) to companies dealing with consumer appliances, automobiles and solar panels to attract them to establish manufacturing plants in India.
- On November 11, 2020, Union Cabinet approved the Production-Linked Incentive (PLI) scheme in 10 key sectors (including electronics and white goods) to boost India's manufacturing capabilities, exports and promote the 'Atmanirbhar Bharat' initiative.
- The PLI scheme, which has been approved for 16 electronics firms, including 10 manufacturers of mobile handsets, would further improve India's role in the global mobile market and complement the goal of making the country a global mobile production hub for manufacturers.

There is a lot of scope for growth from the rural market with consumption expected to grow in these areas as penetration of brands increases. Demand for durables like refrigerators and consumer electronic goods are likely to witness an increased demand in the coming years, especially in the rural areas as the Government plans to invest significantly in rural electrification. Growing awareness, easier access, and changing lifestyle have been the key growth drivers for the consumer market.

Indian appliance and consumer electronics (ACE) market is expected to increase at 9% CAGR to reach ₹ 3.15 trillion (US\$ 48.37 billion) in 2022. Demand growth is likely to accelerate with rising disposable income and easy access to credit. Increasing electrification of rural areas and wide usability of online sales would also aid growth in demand.



## Company Overview

TVS Electronics Limited (TVS-E) a subsidiary of the prestigious TVS Group, was founded in 1986. TVS-E has two business verticals viz. "Products & Solutions Group" and "Customer Support Services".

In the Products & Solutions Group (PSG), we design, manufacture, assemble, market, sell and service various transaction automation products like Dot Matrix Printers, Thermal Printers, Label Printers, Mechanical Keyboards, Membrane Keyboards, Mouse, Barcode Scanners, Electronic Cash Registers, Currency Counting Machines to name a few.

In the Customer Support Services (CSS) business vertical, we cover the entire lifecycle of after-sale service catering to both OEMs and end customer services include break fix, repair engineering, Installation, demo, protection plans, IT infra management, remote tech support, call centre services etc.

Technology is playing a key role for businesses to work closer with the customer to create better products, services and value proposition. The world is facing fresh challenges every day, and with an eagerness to stay relevant, we continue to meet every challenge with new ideas and solutions, to support our customers as they navigate the shape-shifting world of commerce. We call this Infinite Evolution. With our century-old legacy of quality and trust and over three decades of expertise in developing cutting edge technology products and services – we are poised to deliver need-of-the-hour solutions to our customers in B2B and B2C space.

## Our Business Verticals

### Products & Solutions Group (PSG)

TVS-E over the years has established an extensive distribution network, we market and sell transaction automation products and support through the wide reach of our before service partner network and thereby cater to the end-to-end needs of our customers. Product Engineering and development is the core of our product solutions vertical and through innovative hardware products we have been able to provide solutions to our customers and retain market share.

Our point of transaction products are used for data entry, data capture, invoice/receipt/label printing and billing applications. Our customer segments includes BFSI, railways, warehouse, logistics, retail, small offices, Home etc. Over the years, our product range has evolved with the evolving needs of our customers. We have expanded our portfolio with currency counting machines, security & surveillance products, web cameras etc., to suit the evolving needs of our customers. The complete details of our Products & Solutions offerings are available at our website [www.tvs-e.in](http://www.tvs-e.in).

### Performance

During FY20-21, the Products & Solutions Business vertical focused on refreshing its range of products and due to this the Company's Thermal Printer range has gained momentum during the year as its market share improved from 24% to 31%. These printers are used largely to print invoices or receipts in modern Retail Stores, Quick service Restaurants, E-Commerce Platforms, and the Health Care industry, amongst others. As the legacy Dot Matrix printers become more and more obsolete in certain sectors, they are being replaced by sophisticated Thermal range printers where TVS-E is gaining market traction. Similarly, Label Printers range has gained market share from 14% to 22% and Barcode Scanners from 19% to 35%. The Company's Dot Matrix printers gained added momentum during the year as its market share improved from 35% to 40%, despite decline in market volume. The market share of Passbook printers continued at 38%.

We have expanded our go-to-market strategy (GTM) by participating in Government e-Commerce Market place portal (GeM) and initiated engagement with major e-Commerce players like Amazon and Tatacliq, to cater set of Institutional and end customers who prefer to buy online. We have also built a robust inside sales capability to address untapped territories and created higher visibility of our product offerings and our partner network through social media, specific digital lead generation program like 'Shop Near Me' and Search Engine optimization (SEO) to respond quickly and to guide our customers to our nearest partners.

Overall, during the year, the Products & Solutions Business Vertical has witnessed demand for its product categories in-line with "V-shaped" economic recovery of our Country.

### Customer Support Services (CSS)

The Customer Support Services business vertical focuses on warranty management service solutions and had partnered with more than 25 leading brands to provide onsite support and walk-in centre for in-warranty and out-of-warranty fulfilment of their products.

TVS-E has its service footprint across 427 districts in India for onsite services and around 200 retail centers for customer walk-in services. We cover more than 15,000+ pin codes across India, and service to a very wide array of electronic product categories.

Apart from addressing the IT services segment, TVS Electronics has a strong presence in the mobile/handheld segment, consumer electronics and the banking segment. For the mobility products and consumer electronics segments, the Company also provides installation and service of PoS terminals apart from an extensive service network for its Products & Solutions business. During FY 21, the Company has setup a Repair

## Management Discussion and Analysis (Contd.)

and Refurbishment Factory in Tumakuru, Karnataka for Printed Circuit board assembly (PCBA), display panel repair and refurbish Large and Small Appliances which is gaining traction from our customers as we create value through our processes.

We provide customized options in our service offerings and have built a suite of services through our IT platform that covers every stage of the post-purchase product lifecycle. Over the next few years, we plan to expand our operations into adjacent service offerings therefore to provide end to end solutions to our customers. The complete details of our CSS business vertical offerings are available at our website [www.tvse.in](http://www.tvse.in).

### Performance

During FY 2021, TVS-E focused on digitisation to make the Customer Support Services Business Model agile and scalable, continuing to take initiatives to lower fixed costs and ensured business continuity by framing a detailed SOP for safety of our employees, field engineers and for visitors of Walk-in Centres. As a result, the Customer Support Service business vertical turned EBIT positive from September'20 and continued to post positive EBIT till date.

The Company has started providing refurbishment service to OEMs and e-commerce players and is in the process of scaling up the current products and expanding new product segments for performing repair and refurbishment services. Further, the Company forayed into Audio and lifestyle products in FY21 by on boarding two Marquee brands for providing repair and maintenance services. The Company deployed more than 4000+ agents pan India, for offering our services in the IT, Telecom and Consumer electronics segments.

New service offerings in areas of extended warranty plans and Bio-Medical equipment services were piloted during FY2021. The Company is in the process of exploring new market opportunities and continues to expand its footprint in newer skills and device categories.

To support the scale up and growth, the Company continues to invest in technology, people and infrastructure.

### Growth Outlook and Initiatives

India has witnessed a substantial spike in the demand for electronic products in the last few years; this is mainly attributed to India's position as the second-largest mobile phone manufacturer globally and surge in the internet penetration rate. As per IBEF report, with over 2x growth, electronics market has grown at a CAGR of 14% from 2016-19 and is expected to accelerate at a CAGR of 16.6% in 2020-25, with the total demand likely to account for US\$ 540 billion in FY25, owing to strong demand, supportive government policies and increased digitization.

The Government of India attributes high priority to electronics hardware manufacturing as it is an important pillar of Make in India, Digital India and Start-up India programmes. Large consumer base, rollout of 5G, industrial use of Internet of Things (IoT) technology and Increasing FDI inflows are some of the major factors contributing to the growth in this segment.

TVS-E also aims to focus on the Retail industry which has emerged as one of the most dynamic and fast-paced industries in terms of growth and technology adoption. India is the world's fifth-largest global hub in the retail space. As per a joint report by FICCI and Deloitte, the Indian retail industry, which is presently growing at 10 % is expected to almost double to ₹ 85 trillion (lakh crore) by 2021. Further, by 2021, traditional retail will hold a share of 75% with the organized retail share expecting to reach 18% and e-commerce retail reaching 7% of the total retail market. Unorganized to organized retail adoption will provide approximately 8 lakh shop digitization opportunity per annum and TVS-E continues to focus on retail by offering computing products and solutions along with peripheral products.

The Covid-19 pandemic situation has set pace to a clear-shift towards E-commerce and repressed spending on in-store shopping over the year. E-Commerce market in India is expected to quadruple to US\$ 60 ~ 70 billion over the next 5 years. Also, the payment sector in the Retail Industry has been experiencing a tremendous change with digital payment technologies to boost productivity and enhance customer experience.

Owing to the increasing preference for convenience and remote operations, the exceptional experience offered by smart home automation is likely to propel India. This industry is expected to witness an increase in share due to the growing adoption of systems or devices in a number of applications such as security, lighting, entertainment, HVAC & energy management, and smart kitchen. These technologies have evolved with increasing preference among consumers for convenience, connectivity, safety, and security which are expected to fuel the growth in the demand for the smart home automation systems. TVS-E is targeting on offering new products with enhanced and smart features in Security & Surveillance and Personal & Performance Products lines and also for providing repair and maintenance services. TVS-E also aims to focus on expanding IT Infrastructure Management Services and Remote Infra Management.

Surge in manufacturing of core Electronics components and growth of electronics market will provide opportunities for TVS-E to increase its range of products and offer comprehensive after-sales service solutions.

TVS-E will explore on opportunities to bring in new solutions to cater to the evolving needs of the Retail, E-commerce segments and expand into IT Infrastructure management services.

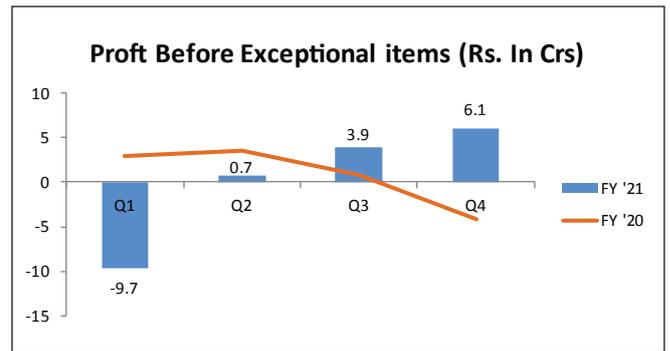
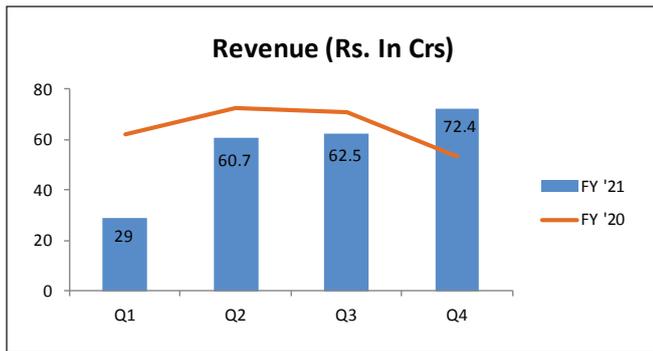
According to TechSci Research report, India's UPS market is forecast to grow at a CAGR of more than 9% by 2023. Growth in the market can be attributed to increasing demand for power backup across commercial as well as industrial sectors coupled with growing digitalization across the country. Moreover, rising number of technological advancements and government's initiatives to improve electrification rate and development of smart cities across the country is further expected to push demand for power products across the country in the coming years. Furthermore, rising demand from Tier 2 and Tier 3 cities is also expected to steer growth in the country's UPS market until 2023. TVS-E will explore opportunities for providing break-fix and maintenance services for power products.

As part of contribution towards building a Green Environment, the quest for alternate / renewable energy sources has gained interest in India over the past few years. One such initiative is the Electric Vehicles (EV) market. The EV market in India has gained significant momentum after the implementation of FAME India scheme ("FAME" is faster adoption and manufacturing electric vehicles). The EV sales in India stood at 3.8 Lakh units in 2019-20, and the EV battery market stood at 5.4GWh during the year. EV market is expected to grow at CAGR of 44% in next 6 years and expected to reach 63.4 Lakh units annual sales by 2027. TVS-E will explore new opportunities in this segment for providing installation, repair and maintenance services.

TVS-E shall explore opportunities in Power and Electric Vehicles for providing break-fix and maintenance services.

### Financial and Operational Highlights

The Company has in place a well-defined business continuity plan which permits us to immediately respond to crisis in order to shorten recovery time and mitigate impact. As a result, despite the temporary interruptions earlier this year, the Company's 'Products & Solutions' & 'Customer Support Services' segments collectively has earned revenues of ₹ 208 Crores and Profit before 'Exceptional items' is ₹ 0.94 Cr.



Due to lockdown, the revenue in Q1'21 was only ₹ 29 Cr. The management of the Company worked to ensure revival of business by taking various initiatives which helped the Company to post profit from Q2'21 onwards. Further with launch of new products, services and acquisition of new customers, the Company posted revenue of ₹ 72.4 Cr in Q4'21 compared to ₹ 53.40 Cr in Q4'20 and ₹ 57.65 Cr in Q4'19. Similarly, the profitability also grew to ₹ 6.1 Cr in Q4'21 compared to ₹ -4.1 Cr in Q4'20 and ₹ 4 Cr in Q4'19.

Further during the Financial Year 2020-21, the Company focussed on new business development activities which will materialize and bring in benefits over the coming years. With robust Q4'21 revenue performance, the Company is poised to grow further in the coming years.

### Financial Ratios:

Particulars	FY 2020-21	FY 2019-20	Change
Current Ratio	1.28	1.21	6%
Debt Equity Ratio	-	0.18	(0.18)
Operating Profit Margin	0.92%	0.19%	385%
Net Profit Margin	0.34%	0.15%	129%
Return on Net Worth	0.94%	0.48%	96%
Debtors Turnover Ratios	6	8	(20%)
Inventory Turnover Ratio	3	4	(18%)
Interest Coverage Ratio	1.5	2.5	(40%)

## Business Risks & Opportunities

The Company's key imperative over the medium term will be to grow the revenue streams and sustain the profitability, as we build a strategic framework and drive the PSG and CSS businesses, leveraging macro trends and business opportunities as described elsewhere. Key success factors (and therefore risks) are predicated on the timely execution of these plans, building the internal capabilities by attracting and retaining talent and keeping pace with technological and market changes. The Board and management of the Company are confident of proactively managing these risks.

Enterprise Risks of TVS-E are categorised into : (a) Strategic, (b) Operational, (c) Financial and (d) Legal and Compliance risks. Some of the significant risks have been enlisted below along with its mitigation plans:

Risk Type	Risk Overview	Mitigation Plan
Strategic Risk – Geopolitical risk	TVS-E imports bulk of its supplies / finished products from the People's Republic of China. Situation like disruption of manufacturing in China due to outbreak of Covid-19 or any impact to the bilateral trade arrangement will have multiple implications to TVS-E's business lines.	The Company is continuously monitoring the risk and opportunities and are taking various measures to minimize the impact. The Company is actively exploring options of internally developing and manufacturing in India.
Strategic Risk - Technology risk	Due to vast digitisation initiatives by government and private institutions, Printing as a technology could face negative growth impacting demand for TVS-E's Dot Matrix, Thermal, Label & Mobile Printers	Products & Solutions Business Vertical is expanding its range beyond Printers into 'Point of Transaction', Track & Trace Products, Currency Counting Machines Security & Surveillance, and more Personal & Performance products variants. More such product range expansion will continue.
Operational Risk - Information security risk	Both Products & Solutions and Customer Support Service BUs of TVS-E deal with high volume personal data of device users and the service agents have access to customer data of brand partners carrying vulnerability.	A strong Incident Prevention and Resolution Process along with an Intrusion Prevention System has been put in place to mitigate cyber security threats. TVS-E has also covered the risk under appropriate insurance.
Operational Risk - Reputation risk	Service agents of TVS-E visit customer places of brand partners in the normal course of business. These agents are well trained on both technical and behavioural aspects before being assigned with the filed job. Nonetheless, the nature of job is susceptible to behavioural / induced behavioural incidents causing reputational and financial loss to TVS-E.	The Company has published a code of conduct mandating the highest moral and ethical standards for its employees / agents, which is also periodically communicated to other stakeholders. It has a whistle-blower policy to ensure suspected or actual violations to the code are reported, investigated and acted upon.

## Covid-19 Readiness and Business Continuity Plan:

The Covid-19 pandemic continues to raise concerns as many countries are reporting the second wave of infections. The actions taken by various governments to contain the pandemic, such as closing of borders and lockdown restrictions, have resulted in significant disruption to people and businesses. While vaccines have been made available, there are delays in vaccinating larger populations, increased instances of variants and infections, and consequential stress on the healthcare sector.

In responding to this crisis, our primary objective has been to ensure the safety of our employees, customers, partners and to protect the financial wellbeing of the Company, and protect its long-term prospects.

The Company proactively framed a detailed SOP for safety of its field agents and employees created Walk-in Centres and provided personal protective kits to its field staff to ensure safety of staff, customers and society. The Company arranged a medical insurance policy for covering medical treatment of Covid-19 and conducted an extensive vaccination drive to cover all employees, engineers, partners and their families.

The Company provided "Doctor on Call" facility wherein the company's Doctor extended his services to TVS-E employees and our partner community including to their family members to guide them and monitor the health conditions of those who had symptoms/tested Covid positive. The Company has framed "Work from home" policy for its employees to ensure the safety and continuity of its routine functions.

Given the importance of cash flow in times like this, the Company developed a robust treasury plan for cash management. The Company revisited the capital investments and focused only on those which are required to rebound and for creating competitive advantage. The Company took various initiatives to manage and expedite receivables to manage its working capital requirement. During the year, the Company settled the entire borrowings and became debt-free.

## Management Discussion and Analysis (Contd.)

TVS-E has in place a well-defined business continuity plan which guides us to immediately respond to crisis in order to shorten recovery time and mitigate impact. To ensure the production at the manufacturing plants, we have procured sufficient stocks in advance and initiated measures for effective and uninterrupted supply chain by exploring alternate sources for procurement. We are following the Company's SOP, guidelines issued by government and local authorities from time to time for safety of our employees at all our manufacturing plants.

To ensure the business continuity of our CSS Business Unit, we focused on digitisation and took initiatives such as remote resolution of service calls via Audio and Video where all service complaints are first attempted remotely to offer solutions and only the field / home services are offered where hardware failure is reported. The other initiatives were Service on wheels, increasing resources in the field to address the expected surge in service calls after lock down, local recruitment at city level or location level is being emphasized to ensure resource availability and also render better services to customers in that geography. To ensure the readiness of our engineers, we have given sufficient training, e-Learning via Audio-Video mode.

The Company will closely monitor the developments and will take all the necessary actions to ensure business continuity and minimize the impact of the outbreak of Covid-19.

### **Internal Control Systems and adequacy of Internal Financial Controls**

The Company has a proper and adequate system of internal controls, commensurate with the size, scale and complexity of its operations. Adequate internal controls ensure transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorised use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. An extensive program of internal audits and management reviews supplements the process of internal financial control framework. Documented policies, guidelines and procedures are in place for effective management of internal financial controls.

To maintain its objectivity and independence, the internal auditor reports to the Chairperson of the Audit Committee of the Board. The internal auditor monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Based on the report of internal auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Any significant audit observations and corrective actions proposed are presented to the Audit Committee of the Board.

The internal financial control framework design ensures that the financial and other records are reliable for preparing financial and other statements. As far as possible, emphasis is placed on automation of controls within the process to minimise deviations and exceptions. Investment in advanced IT tools on an ongoing basis is one of the keys means to achieve the automation. In addition, the Company has identified and documented the key risks and controls for each process that has a relationship to the financial operations and reporting. At regular intervals, internal teams test identified key controls. The internal auditors also perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting.

### **Business Planning and Information Technology**

As part of the Annual planning cycle, detailed top down and bottoms up approach is taken with the involvement of Employees across the Business units and functions. The Annual plan is presented to the Board of Directors for their inputs and guidance and on approval is deployed to the respective teams. We have routine weekly operations review and also follow monthly and Quarterly performance reviews. As part of the annual plan, break through initiatives and long term growth initiatives are also taken and cross functional teams are formed to work on such initiatives.

The Company has moved its applications and data base to a Cloud-based server since 2015-16. This has resulted in de-risking the storage of critical information in our own hardware. The Company also simultaneously monitors software up gradation, which helps run business operations in an efficient manner. In terms of Companies Act, 2013, the details of maintenance of books of accounts on cloud server is being intimated to the Registrar of Companies at the time of annual filing.

The Company continues to invest in ERP and digitalisation of processes to support the businesses on real-time information and dashboards for taking operational decisions. We have also introduced collaborative tools for internal teams work and extensively use it for the day-to-day operations.

### **Human Resource Development**

Human Capital is the core towards building talent for the future growth of the Organization. Considering the safety of our employees due to the outbreak of Covid-19, we have framed "Work from home" policy and a detailed SOP for the safety of our employees, field engineers and agents. Personal protective kit has been provided to the field staff to ensure the safety of our employees, customers and society. Regular Engagement sessions with all employees on health related topics connecting both employee and family members were organized. We are closely monitoring the developments and conducting frequent awareness sessions on educating safety and precautionary measures to our employees. We are conducting an extensive Vaccination Drive to cover all employees, partners, agents and their family members.

The Company's talent acquisition plan includes optimal mix of experienced and fresh hires with diverse educational and cultural backgrounds. Our focused approach of increasing diversity resulted in creating more opportunity for women employees in our organization.

## Management Discussion and Analysis (Contd.)

The Company has been successful in building a performance driven culture through a systematic goal setting and performance evaluation process aligned to our Quarterly and Annual plan. Employees are governed under performance compensation (variable pay) which influence their total compensation based on performance. Regular feedback is given to Employees for their development, training and leadership development. The Company continues to invest in training programmes for enhancing the competencies with skill based training and refresher training through e-Learning modules and nomination to external programs. Our e-Learning platform was extensively used for training our Employees and Partners as and when we added more Brands to our portfolio. We continued to work closely with our Engineers/Agents for multi-skilling, and supported them with routine soft skills and behavioural training.

Employee well being has always been our priority and we have taken comprehensive health insurance policies and other welfare measures. The Company has continuous engagement programme with employees through quarterly communication meetings addressed by leadership team members. While we initiated various Cost Management initiatives during this period, we ensured and recognized best performers with awards at different forums for individual and team performance, as part of our Employee motivation and Communication program.

### Corporate Social Responsibility

TVS-E Continues to create impact to the society through our Corporate Social Responsibility (CSR) initiatives by focusing on 'Health, Environment, Education and Culture'.

In addition to this, the current pandemic situation opened up an extremely challenging situation for the entire eco-system which includes our partners, agents, people in villages around our factory etc., and we are committed to work closely and support them during these tough times as we have done every time in the past during any natural calamity.

#### Health & Hygiene:

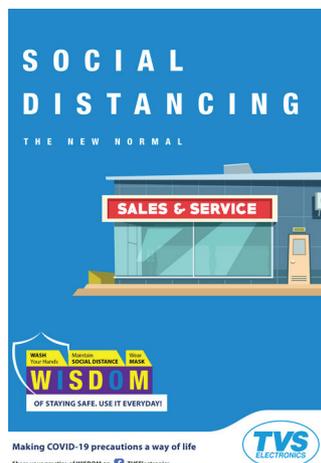
Under the guidance of our Company Doctor a task force has been formed across the country with an objective to:

1. Provide continuous medical guidance and support to members of our eco-system affected by Covid '19
2. Educate through awareness posters and clarify doubts related to Covid'19, through video calls.
3. Encourage all members of our eco-system and their dependents to get vaccinated through the Government support systems.

In the Phase 1, all members of the ecosystem and their dependent family members above the age group of 45 years were covered. We took an approach to constantly educate people and guide them to the nearest medical centre for vaccination, by working closely with the Government and other local municipal agencies. This approach helped as people had various questions about vaccination and we clarified their doubts resulting in more people coming forward to take their vaccination and they became our ambassadors to promote the initiative.

As the country opened up vaccination for 18 years and above, we expanded our reach and our teams started partnering with local municipal authorities to jointly reach out to remote villages to support and drive the vaccination program across our office and factory locations. We also helped in channelizing oxygen concentrators for the needy across various hospitals in these locations.

Further, we continue to provide medical support through 'TSS Medical Centre' at Tumakuru to the people in and around our factory premises.



**Environment:**

The second wave of Covid 19 created more awareness among people on the use of masks, but in general people were not aware about reusing and safe disposal of masks as we see the masks thrown across public places like roads, parks and water body etc.,



leading to environmental challenges. We took an initiative to educate people on the “safe use and disposal of mask” through a theme “Be a super Hero, join the *ENDGAME* for Covid’19 by distributing educative material (pamphlets) and also through social media.

We created an awareness campaign page in our website <https://www.tvs-e.in/superheroes>, to spread the message with guidelines on how to check their masks before use, when to dispose and how to dispose safely.

**Education:**

Education contributes to social stability and drives long-term economic growth. Our Company continues to support student’s education under the adoption scheme as we believe providing good Education to the underprivileged students will help in building a stronger educated community. During the year, the Company has donated ₹ 16.90 Lakhs for promoting education which includes donations to Sri Siddaganga Mutt (student adoption scheme) and student toppers. We support the complete education of 201 students under the student adoption scheme.

**Culture and Heritage:**

During the year, the Company has donated ₹ 11.00 Lakhs to Sri Ram Janmbhoomi Teerth Kshetra Trust.

**Cautionary Statement:**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations, include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets, changes in Government regulations, tax laws and other statutes and incidental factors.

## Notice to the Members

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Saturday, 14<sup>th</sup> August, 2021 at 10.00 a.m., through video conferencing / Other Audio Visual Means ("VC/OAVM") to transact the following business.

### ORDINARY BUSINESS

1. **To adopt the audited financial statement for the year ended March 31, 2021, along with the report of the Board of Directors and Auditors thereon:**

To consider and pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** the Audited Financial Statements, Reports of the Auditors on the Financial Statements and Reports of the Board of Directors on the Financial Statements for the Financial Year ended 31<sup>st</sup> March, 2021, as circulated to the shareholders be and are hereby adopted.

2. **To appoint Mr. R S Raghavan (DIN No: 00260912), who retires by rotation, as a Director of the Company:**

To consider and pass the following resolution as an Ordinary Resolution:

**RESOLVED THAT** Mr. R S Raghavan (DIN No: 00260912) Non Executive Non Independent Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company.

### SPECIAL BUSINESS

3. **To ratify the remuneration payable to the Cost Auditor for the Financial Year ending March 31, 2022:**

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** the remuneration of ₹1.50 Lakhs plus applicable taxes and out of pocket expenses at actuals, payable to Mr. P. Raju Iyer, Cost Accountant (Membership No.6987) who was appointed by the Board of Directors of the Company to conduct cost audit for the Financial Year 2021-2022 in terms of Section 148 of the Companies Act, 2013 read with the Rule 14 of the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified".

4. **To approve payment of minimum remuneration to Managing Director for remaining tenure of her appointment:**

To consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196,197,203 and all other applicable provisions, if any, of the Companies act 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act, the consent of the members of the Company be and is hereby accorded for continuation of payment of remuneration of ₹ 150 Lakhs per annum to Mrs. Srilalitha Gopal (holding DIN: 02329790), Managing Director, even in the case of loss or inadequate profits of the company for the remaining tenure of her appointment upto May 10<sup>th</sup> 2023, on the existing terms and conditions approved by the Shareholders at the 23<sup>rd</sup> AGM held on 09.08.2018.

**RESOLVED FURTHER THAT** all the Directors and the Secretary of the Company be and are hereby severally authorized to obtain necessary consents, permissions or approvals as may be required for the remuneration payable to her on such appointment or at any point of time during her tenure, and to do all such acts and deeds, as may be necessary in order to give effect to the aforesaid resolutions."

By Order of the Board

Srilalitha Gopal  
Managing Director  
DIN: 02329790

Chennai  
22<sup>nd</sup> May 2021

Registered Office:  
249-A, Ambujammal Street,  
Off TTK Road, Alwarpet,  
Chennai-600018

### NOTES

1. In view of the outbreak of the COVID-19 pandemic and pursuant to General Circular Nos.14/2020, 17/2020, 20/2020, 02/2021 dated 8<sup>th</sup> April 2020, 13<sup>th</sup> April 2020, 5<sup>th</sup> May 2020 and 13<sup>th</sup> January 2021 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12<sup>th</sup> May 2020 and 15<sup>th</sup> January 2021 respectively issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 26<sup>th</sup> AGM of the Company is being conducted through VC/OAVM Facility, which does not require physical presence of members at a common venue.
2. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the AGM.

## Notice to the Members (Contd.)

3. Members may join the 26<sup>th</sup> AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 9:30 a.m. IST i.e. 30 minutes before the time scheduled to start the 26<sup>th</sup> AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the 26<sup>th</sup> AGM.
4. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee, auditors etc can attend the AGM without any restriction on account of first-come first-served principle
5. In compliance with the aforesaid MCA and SEBI Circulars, the notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.tvse.in](http://www.tvse.in), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. The members holding shares in physical form and who have not registered their email id may register their email id by sending the name, folio number, self-attested PAN, email id to be registered and number of shares held to [investorservices@tvse.in](mailto:investorservices@tvse.in). For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. Attendance of members through VC shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.
8. The statement pursuant to Section 102 of the Companies Act, 2013 setting out of material facts concerning the items of special business specified above is annexed hereto.
9. The Company does not have any unclaimed dividend amount which has fallen due for transfer to Investor Education and Protection Fund (IEPF).
10. In terms of the provisions of section 124 (6) of the Companies Act, 2013 read along with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. Further, pursuant to the new explanation inserted on 14<sup>th</sup> August, 2019, effective from 20<sup>th</sup> August, 2019 to the Rule 6 – (Manner of transfer of shares under sub-section 6 of section 124 to the Fund) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, it is clarified that all shares in respect of which dividend has been transferred to IEPF on or before the 7<sup>th</sup> September 2016, shall also be transferred by the Company to IEPF. Based on the provisions of the Act, Rules and explanations, the Company has transferred 1,78,100 equity shares in respect of which dividend were unclaimed/not paid for a period of seven consecutive years or more. The statement containing the details of name, address, folio number/ Demat Account number and number of shares that has been transferred is made available in the Company's website viz., [www.tvse.in](http://www.tvse.in) for information and necessary action by the shareholders.

In case, the concerned shareholders wish to claim the shares that have been transferred to the IEPF, a separate application has to be made to the IEPF Authority in Form IEPF – 5, as prescribed in Rule 7 of the Rules and the same is available at IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in)).

11. The Board at its meeting held on 13<sup>th</sup> February, 2021, appointed M/s Integrated Registry Management Services Private Limited (Integrated), Reg. No: INR000000544, as the new RTA of the company with effect from 17<sup>th</sup> March 2021. The Shareholders information and other electronic details were transferred promptly from Sundaram Clayton Limited (Earlier RTA) to Integrated. Shareholders are requested to take note of this and contact Integrated for any assistance and information. Please find below the contact details of Integrated (new RTA):

**Integrated Registry Management Services Private Limited (Integrated)**

**2<sup>nd</sup> Floor, Kences Towers, No.1, Ramakrishna Street,  
Off North Usman Road, T Nagar, Chennai - 600017.**

**Ph. No: 044- 28140801/ 044 - 28140803**

**Fax No: 044 - 28142479**

**Email ID: [srirams@integratedindia.in](mailto:srirams@integratedindia.in),**

**[corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)**

## Notice to the Members (Contd.)

12. The Members may note that on account of the amendment made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI [LODR]2015), **the Company shall not entertain the request for registration of physical transfer of shares on or after 31<sup>st</sup> March, 2019. Hence, Members holding shares in physical form, in their own interest, are requested to dematerialise the shares to avail the benefits of electronic holding as well as trading.**
13. Members holding shares in physical form are requested to register their email id for receiving electronic copy of the Annual Report and also notify immediately any change in their address/E-mail address to the Company/its Share Transfer Agents.
14. Members holding shares in electronic form are requested to advise change of address/E-mail address to their Depository Participants. Members holding shares in demat form are hereby informed that bank particulars registered with their respective Depository Participants, with whom they maintain their demat accounts, are used by the Company for the payment of dividend. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants.
15. Corporate members intending to make their authorised representatives to attend the Meeting through VC are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting held through VC.
16. Members of the Company had approved the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as the Statutory Auditors at the Twenty Second AGM of the Company for a period of five years. In accordance with the Companies (Amendment) Act, 2017, effective 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
17. The Notice of the Annual General Meeting and the Annual Report will be available on the Company's website [www.tvs-e.in](http://www.tvs-e.in). The members who wish to inspect any of the relevant documents referred to in the accompanying notice may send the request to the Company by email till 5.00 p.m. on Friday, 13<sup>th</sup> August, 2021 and Company will provide such documents through email.
18. As per the provisions of Companies Act, 2013, nomination facility is available for members holding shares in physical form. The nomination forms can be obtained from the Company's Share Transfer Agents. In respect of members holding shares in electronic form, the forms may be obtained from the Depository Participant with whom they are maintaining their demat account.
19. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 **has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders.** Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company's Share Transfer Agents by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member printed on it. In alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- i. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at [tvseagm@tvs-e.in](mailto:tvseagm@tvs-e.in). Questions / queries received by the Company till 5.00 p.m. on Monday, 9<sup>th</sup> August, 2021 shall only be considered and responded during the AGM.
- vi. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered mail address mentioning their Name, DP ID and client ID/ folio number, PAN, mobile number at [tvseagm@tvs-e.in](mailto:tvseagm@tvs-e.in) from August 6, 2021 (9.00 am IST) to August 9, 2021 (5.00 pm IST). Those Members who have registered themselves as a speaker during the aforesaid period will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers, as appropriate for smooth conduct of the AGM.
- vii. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ contact Ms. Pallavi Mhatre, Manager, toll free - 1800-1020-990, 1800 22 4430

**20. Remote E-voting facility:**

- (a) In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provides remote e-voting facility to all the shareholders, through remote e-voting platform of National Securities Depository Limited (NSDL), for voting on all the resolutions to be passed in the 26<sup>th</sup> Annual General Meeting.
- (b) **Voting rights** will be reckoned on the basis of the number of shares registered in the names of the members / beneficial owners **as on the cut-off date** fixed for this purpose, viz., **Saturday, 7<sup>th</sup> August, 2021**. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- (c) The Company has appointed Mr. K. Sriram, Partner of M/s. S. Krishnamurthy & Co., Practising Company Secretaries, Chennai as Scrutinizer for conducting the remote e-voting and also the e-voting process during the Annual General Meeting in a fair and transparent manner.
- (d) **The instructions for remote e-voting are as under:**

**The remote e-voting period commences on Wednesday, 11<sup>th</sup> August 2021 at 9.00 am and ends on Friday, 13<sup>th</sup> August, 2021 at 5.00 pm.** During this period, members holding shares as on Saturday 7<sup>th</sup> August, 2021 may cast their votes electronically. Thereafter, the remote e-voting facility will be disabled for voting by NSDL. Once a vote on a resolution is cast by a member, such member will not be allowed to change it subsequently. Members as on the 7<sup>th</sup> August, 2021 shall only be entitled for availing the Remote E-Voting facility.

Shareholders who become Members of the Company, after despatch of Notice and hold shares as on 7<sup>th</sup> August 2021 may obtain the User ID and Password for e-voting by sending an e-mail, intimating DP ID and Client ID / Folio No. to [srirams@integratedindia.in](mailto:srirams@integratedindia.in), [corpseerv@integratedindia.in](mailto:corpseerv@integratedindia.in) or Member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Members receiving e-mail from NSDL** (for members who have registered their email Ids with the Company / Depository Participants)

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- **Login method for Individual shareholders holding securities in demat mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p><b>I. NSDL IDeAS facility</b></p> <ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password.</li> <li>2. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page.</li> <li>3. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol> <p><b>If you are not registered for IDeAS e-Services:</b></p> <p>Option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p><b>II. E-Voting website of NSDL:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> </ol>

Notice to the Members (Contd.)

Type of shareholders	Login Method
	<p>3. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;">  App Store            Google Play         </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**Notice to the Members (Contd.)**

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c. How to retrieve your ‘initial password’?
  - d. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
  - e. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button
9. After you click on the “Login” button, Home page of e-Voting will open.

## Notice to the Members (Contd.)

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

After successful login, by following the Step 1, you will be able to see all the companies “EVEN” (E-Voting Event Number) in which you are holding shares and whose voting cycle and General Meeting is in active status:

- i. Select “EVEN” of TVS Electronics Limited
- ii. Cast your vote and select “Submit” and “Confirm” when prompted.
- iii. Now you are ready for e-Voting as the Voting page opens
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted
- v. Upon confirmation, the message “Vote cast successfully” will be displayed.
- vi. Once the member has voted on the resolution, such member will not be allowed to modify their vote, subsequently.

### **General Guidelines for Shareholders:**

1. Institutions members (i.e other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with the attested specimen signature of the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer through email: [sriram.krishnamurthy@rediffmail.com](mailto:sriram.krishnamurthy@rediffmail.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com) and [srirams@integratedindia.in](mailto:srirams@integratedindia.in) , [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in) , [investorservices@tvs-e.in](mailto:investorservices@tvs-e.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Ms. Pallavi Mhatre) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
21. **Process for those Members whose email ids are not registered for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:**
- a. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 26<sup>th</sup> AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending scanned copy of: i) a signed request letter mentioning your name, folio number and complete address; ii) scanned copy of the share certificate (front and back) and iii) self-attested scanned copy of the PAN Card and AADHAR in support of the address of the Member as registered with the Company; to the email address of the Company [investorservices@tvs-e.in](mailto:investorservices@tvs-e.in).
  - b. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) Client master or Consolidated Account statement; and (iii) self-attested scanned copy of the PAN Card and AADHAR, to the email address of the Company [investorservices@tvs-e.in](mailto:investorservices@tvs-e.in).
  - c. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
    1. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
    2. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.
  - d. The members attending the meeting who have not already cast their vote through remote e-voting, shall be able to exercise their voting rights through electronic mode during the meeting. The members who have already cast their vote through remote e-voting can attend the meeting but shall not be entitled to cast their vote again during the meeting. In terms of Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on shares lying in the Unclaimed Shares Suspense account, shall remain frozen till the rightful owner claims the shares.



## Notice to the Members (Contd.)

- e. The Scrutinizer will submit his report on the remote e-voting and voting at the meeting to the Chairman or Company Secretary or any other authorised Director, who will declare the result of the voting within 48 hours from the conclusion of the Annual General Meeting.
- f. The result of the voting with details of the number of votes cast for and against each resolution, invalid votes and whether the resolution has been carried or not shall be displayed on the notice board of the Company at its Registered Office and at the Administrative Office. Further, the results of the voting along with the Scrutinizer's Report shall also be placed on the Company's website [www.tvse.in](http://www.tvse.in) and on the website of the NSDL and also communicated to the Stock Exchanges.
- g. In case of any queries, members may contact the Company at [investorservices@tvse.in](mailto:investorservices@tvse.in) , or [srirams@integratedindia.in](mailto:srirams@integratedindia.in) , [corpserv@integratedindia.in](mailto:corpserv@integratedindia.in)

### 22. Instructions for members for E-Voting on the day of the meeting:-

- I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - II. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
  - III. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
  - IV. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.
23. The profile of Director seeking reappointment forms integral part of the Notice. The Director had furnished the requisite consent and declarations.
24. Since the AGM shall be conducted through VC / OAVM, the route map, Proxy Form and Attendance Slip are not annexed to this Notice.

**By Order of the Board**

**Srilalitha Gopal**  
**Managing Director**  
**DIN: 02329790**

Chennai  
22<sup>nd</sup> May, 2021

Registered Office:  
249-A, Ambujammal Street,  
Off TTK Road,  
Alwarpet,  
Chennai-600018

## Notice to the Members (Contd.)

### Statement of material facts pursuant to Section 102 of the Companies Act, 2013 and Additional information on director recommended for appointment / reappointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

#### Item 3

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 22<sup>nd</sup> May, 2021, approved the appointment of Mr. P Raju Iyer, Cost Accountant (Membership No. 6987) as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed a sum of ₹ 1.50 Lakhs plus applicable taxes and reimbursement of out of pocket expenses, as remuneration payable to him, for the financial year 2021-22. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, consent of the Members is sought for the remuneration payable to the Cost Auditors.

None of the Directors or Key Managerial Personnel and / or their relatives has any concern or interest, financial or otherwise in this item of business.

The Board of Directors recommends the ordinary resolution as set out at item no.3 of the Notice for approval by the members.

#### Item 4

The Board of Directors at its meeting held on 11<sup>th</sup> May, 2018, appointed Mrs. Srilalitha Gopal as Managing Director for a period of 5 years with a remuneration of ₹ 150 Lakhs per annum. Subsequently, shareholders at its meeting held on 8<sup>th</sup> August 2018, approved her appointment and remuneration of ₹ 150 lakhs per annum.

The Shareholders also accorded their consent to pay the aforesaid remuneration to Mrs. Srilalitha Gopal, Managing Director, even in the case of loss or inadequate profit in any financial year during her tenure of appointment.

As per the provisions of Companies act 2013, read with Schedule V, the approval for paying remuneration to Managing Director in the event of inadequate profit or loss is valid for 3 years. The proposal to pay the aforesaid remuneration even in case of loss or inadequate profit to Managing Director for remainder tenure i.e. upto 10<sup>th</sup> May 2023, is placed before the Shareholders for approval.

None of the Directors or Key Managerial Personnel and / or their relatives has any concern or interest, financial or otherwise, in this item of business, except Mr. Gopal Srinivasan, Chairman of the Company (spouse).

The Board of Directors recommends the special resolution as set out at item no. 4 of the Notice for approval by the members.

**By Order of the Board**

**Srilalitha Gopal**  
**Managing Director**  
**DIN: 02329790**

Chennai  
22<sup>nd</sup> May, 2021

Registered Office:  
249-A, Ambujammal Street,  
Off TTK Road,  
Alwarpet,  
Chennai-600018

**Annexure A to the Explanatory Statement: Encl**

**Profiles of Directors:**

**1. Mr. R S Raghavan (DIN: 00260912)**

Mr. R S Raghavan, aged 65 years is a Chartered Accountant, Cost and Management Accountant and a Company Secretary and has over 38 years of experience including nearly 29 years in TVS Group companies. His experience spans across functions like corporate finance, treasury, investments, handling board procedures, credit rating, fund raising, legal / financial accounting, corporate secretarial etc. He has handled besides restructuring, valuations, mergers and acquisitions, regulatory matters involving RBI, SEBI, High Courts, etc in his career. He is not related to any of the Directors of the Company. He is not on the board of any other listed entity. The other directorships / Committee memberships and key managerial positions held by him is given below:

S. No	Names of companies / body corporate	Nature of interest or concern / Change in interest or concern	Committee Membership
1	Harita Techserv Private Limited (converted into private limited company with effect from 2 <sup>nd</sup> December, 2019)	Director	-
2	TVS Capital Funds Private Limited	Company Secretary	-
3	Chennai Business Consulting Services Limited	Director	1. Audit Committee 2. Remuneration Committee 3. Stakeholders Relationship committee
4	TVS Investments Private Limited	Company Secretary	-
5	TVS Electronics Limited	Director	1. Audit Committee 2. Corporate Social Responsibility Committee
6	International Money Matters Private Limited	Director	-
7	TVS Wealth Private Limited	Company Secretary	-

**2. Mrs Srilalitha Gopal (DIN: 02329790)**

Mrs. Srilalitha Gopal, aged 54 years, is an Engineering Graduate in Computer Science from IISc, Bengaluru, has been a Director from 10<sup>th</sup> November 2011. She is the Managing Director of Harita Techserv Private Limited (HTPL). Her direction has enabled the growth of HTPL and spurred it to become one of the most preferred design engineering and talent services partners, ensuring success for every stakeholder of HTPL. She provides active directional support in the general management and CSR initiatives. She was appointed as Managing Director in TVS Electronics Limited w.e.f. 11<sup>th</sup> May, 2018. Mrs. Srilalitha Gopal does not hold any Equity Shares in the Company. She is the spouse of Mr. Gopal Srinivasan, Chairman of the Company. She is not on the board of any other listed Company. The other directorships held by her are given below:

S. No.	Names of companies / body corporate	Nature of interest or concern / Change in interest or concern	Committee Membership
1	TVS Electronics Limited	Managing Director	Stakeholders' Relationship Committee
2	Harita Techserv Private Limited	Managing Director and Member	-
3	TVS Investments Private Limited	Director	-
4	Sundaram Investment Private Limited	Director	-
5	Geeyes Family Holdings Private Limited	Director and Member	-
6	Harita Srinivasan Private Limited	Member	-
7	NextWealth Entrepreneurs Private Limited	Member	-

**STATEMENT OF INFORMATION REQUIRED UNDER SECTION II, PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013**

<b>I GENERAL INFORMATION</b>														
1	Nature of Industry	Computer Peripherals and IT enabled services												
2	Date or expected date of commencement of commercial production	Already commenced production 30 years back												
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable												
4	<b>Financial performance based on given indicators</b>	<b>₹ In Lakhs</b>												
		<b>2018-2019</b>	<b>2019-2020</b>	<b>2020-2021</b>										
	<b>Gross income</b>	2,75,684	25,872	22,460										
	<b>Capital employed</b>	8,698	8,062	8179										
	<b>Net worth</b>	8,698	8,062	8179										
	<b>Profit/(Loss) Before tax</b>	1,422	(2)	94										
	<b>Profit/(Loss) After tax</b>	744	39	77										
	<b>Dividends</b>	337	673	-										
5	<b>Foreign investments or collaboration, if any</b>	The Company has no foreign investments or collaborations												
<b>II INFORMATION ABOUT THE APPOINTEE</b>														
1	<b>Background Details</b> Mrs. Srilalitha Gopal is an Engineering graduate in Computer Science from IISc, Bangalore. She was appointed as a Director on the Board of Directors of the Company with effect from 10 <sup>th</sup> November 2011. She is the Managing Director of Harita Techserv Private Limited, a design engineering and skilled technical engineering resources Company since 2008.													
2	<b>Past remuneration</b> She has drawn in the year 2018-19 ₹ 131.80 lakhs , in 2019-20 ₹ 139.81, in 2020-21 ₹ 89.02* lakhs as remuneration. * Voluntarily waived variable pay, payable in FY 2020-21.													
3	<b>Recognition or awards</b>	-												
4	<b>Job profile and her suitability</b>	<p>Job Profile:</p> <p>As the Managing Director of the Company, she is having all powers to manage the affairs of the Company.</p> <p>Suitability:</p> <p>a. Her qualification as the Engineering graduate in computer science.</p> <p>b. Her active association as a Director of the Company for nearly 11 years.</p> <p>c. Her active engagement in leading various strategic initiatives in the Company over the last few years, that has contributed to the growth and profitability of the Company.</p> <p>d. Her contribution as a member of Stakeholders relationship Committee</p> <p>e. Her experience as Managing Director of Harita Techserv Private Limited over the past 13 years.</p> <p>f. Her directional support in the governance process.</p>												
5	<b>Remuneration proposed: By way of salary, allowances and perquisites and Variable pay, etc</b>	<table border="1"> <thead> <tr> <th>Description</th> <th>₹ In lakhs p.a</th> </tr> </thead> <tbody> <tr> <td>Basic Salary</td> <td>60.00</td> </tr> <tr> <td>Allowances &amp; Perquisites</td> <td>40.00</td> </tr> <tr> <td>Variable pay</td> <td>50.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>150.00</b></td> </tr> </tbody> </table>			Description	₹ In lakhs p.a	Basic Salary	60.00	Allowances & Perquisites	40.00	Variable pay	50.00	<b>Total</b>	<b>150.00</b>
Description	₹ In lakhs p.a													
Basic Salary	60.00													
Allowances & Perquisites	40.00													
Variable pay	50.00													
<b>Total</b>	<b>150.00</b>													

Notice to the Members (Contd.)

		<p>1. The Allowances and Perquisites include Company's contribution to Provident Fund or National Pension Scheme or any other pension Scheme as may be in force from time to time, Gratuity, Leave Travel Allowance and encashment of earned leave as per the rules of the Company.</p> <p>2. She will also be eligible for:</p> <p>a. Company maintained car with driver for official purposes which shall be borne by the Company. Use of Company car for private purposes shall be dealt with the Company as per the applicable provisions under the Income Tax Rules, 1962.</p> <p>b. Company owned IT and communication equipments including maintenance and subscription thereof, shall be borne by the Company.</p>
6	<b>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin)</b>	The remuneration proposed is comparable with the remuneration being offered to the similar position in the electronic industry. It is also in line with the Company's remuneration policy the profile of the position and the person.
7	<b>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</b>	After her appointment as Managing Director, she is drawing the proposed remuneration with effect from 11 <sup>th</sup> May 2018, as per the terms and conditions approved by the shareholders. She is the spouse of Mr. Gopal Srinivasan, Chairman of the Company. She is not related to any other director or key managerial personnel of the Company.
<b>III</b>	<b>Other information</b>	
1	<b>Reasons for loss or inadequate profits</b>	The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution, as the profitability of the Company may be adversely impacted in future due to business environment during the period for which remuneration is payable to Mrs. Srilalitha Gopal, Managing Director i.e. till May 10, 2023.
2	<b>Steps taken or proposed to be taken for improvement</b>	Company is continuously taking steps to improve the profitability.
3	<b>Expected increase in productivity and profit in measurable terms</b>	The Company expects to maintain its present growth rate.

## Board's Report to the Members

Your Directors have pleasure in presenting the 26<sup>th</sup> Annual Report of your Company for the financial year ended 31<sup>st</sup> March 2021.

### Financial Results

The financial performance of the Company for the year ended 31<sup>st</sup> March 2021 is summarized below. The financial statements for the year have been prepared in accordance with the mandatory accounting standards Ind AS .

### Standalone

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2021	Year ended 31 <sup>st</sup> March 2020
Revenue from operations	22,460	25,872
Profit/ (Loss) Before Tax (PBT) and exceptional items	94	348
Exceptional items / Extra-ordinary Items	-	(350)
Profit / (Loss) Before Tax	94	(2)
Profit / (Loss) After Tax (PAT)	77	39
Add: Brought forward from previous year	4,266	4,900
Less: Dividend on equity shares (incl. taxes)	-	(673)
Retained earnings	4,343	4,266

### Company's performance

During the financial year 2020-21, the Company's 'Products & Solutions' & 'Customer Support Services' segments collectively has earned revenues of ₹ 208 Crores and Profit before 'Exceptional items' is ₹ 0.94 Cr.

The Products & Solutions Business vertical continued to refresh its range of products. The Company's Thermal Printer range has gained added momentum during the year as its market share improved from 24% to 31%. Similarly, the Label Printers range has gained the market share from 14% to 22% and Barcode Scanners from 19% to 35%.

The Company's Dot Matrix Printers gained added momentum during the year as its market share improved from 35% to 40%, despite of decline in market volume. The market share of Passbook printers continued at 38%.

Overall, during the year, the Products & Solutions Business Vertical, has witnessed demand for its product categories in-line with "V-shaped" economic recovery of our Country.

The Customer Support Services business vertical focused on digitization to make the business model agile & scalable, continued to take initiatives to lower fixed costs and ensured business continuity by proactively framing a detailed SOP for safety of field engineers, employees and Walk-in Centres. As a result, the Customer and Support Service business vertical turned EBIT positive from September'20 and continued to post positive EBIT till date.

During the year, TVS-E scaled up to support L3-L4 repairs and developed a Repair and Refurbishment factory in Tumkur for Printed Circuit Board Assembly (PCBA) Repair, Display Panel Repair and to Repair and Refurbish Large and Small Appliances. The Company has started providing refurbishment service to OEMs and e-commerce players and in the process of scaling up on the current products and expanding new product segments for performing repair and refurbishment services.

The Customer Support Service business continues to expand its footprint in newer skills and device categories. To escalate the growth, the Company continues in investing in technology, people and infrastructure.

There has been no change in the business of the Company during the Financial Year ended 31<sup>st</sup> March 2021.

### Dividend

Considering the current position of the Company the Directors do not propose any Dividend for the financial year ended 31<sup>st</sup> March 2021.

### Safety

The Company is fully committed to the ultimate goal of employee safety. The Company has taken various measures to fight against the outbreak of Covid-19 and ensure the safety of its employees & their families, customers and various stakeholders including defining Standard Operating Procedures (SOP) to ensure necessary health precautionary protocols, implementation of "Work From Home" policy and measures prescribed in the guidelines issued by the Central/State Government and local authorities from time to time. The Company has also conducted various periodic safety training, safety audit and fire drills for enabling the Company to maintain accident-free record at its factories for several years.

The Company has implemented strict safety standards at all our facilities and operations, based on global best practices and regulatory requirements. We have well-defined policies (POSH) and standard operating procedures to ensure the safety of women employees inside and outside the campus. These include Safety Awareness Programs, periodic fire drill, cab pick-up/ drop facility etc.

The Company has detailed Emergency Preparedness Program (EPP) towards ensuring the safety of the employees and business continuity during calamity. The Company also has dedicated medical centres at the Head Office and Factories to manage any emergency situations.

### Code of Business Conduct and Ethics

The Company has in place the Code of Business Conduct and Ethics for member of the Board and senior management personnel (the Code) approved by the Board. The Code is available on the Company's Website at <https://www.tvs-e.in/wp-content/finreports/policy/Code%20of%20Conduct.pdf> . The Code has been communicated to directors and the senior management personnel. All the members of the Board and senior management personnel have confirmed compliance with the Code of Business Conduct and Ethics for the year ended 31<sup>st</sup> March, 2021 . The Annual Report contains a declaration to this effect signed by Managing Director.

### **Vigil Mechanism / Whistle Blower policy**

The Company has established a vigil mechanism, which is overseen by the Audit Committee. The Chairperson of the Audit Committee has been appointed as the Ombudsman for the Vigil mechanism. The policy provides a formal mechanism for all directors, employees to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics policy. The Company has also provided direct access to the Chairperson of the Audit Committee on reporting issues concerning Company. This Policy is amended from time to time to make it in line with the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations and SEBI (Prohibition of Insider Trading) Regulations. The Policy is available on the Company's Website at [https://www.tvse.in/wp-content/finreports/policy/TVSE\\_Vigil\\_Blower\\_Mechanism.pdf](https://www.tvse.in/wp-content/finreports/policy/TVSE_Vigil_Blower_Mechanism.pdf)

### **Prevention of Insider Trading**

The Company has a Code of Internal Procedures and Conduct for regulating, monitoring and reporting of Trading by Insiders in line with SEBI Regulations. The Code has been communicated to all the employees of TVSE by conducting frequent awareness sessions and also have ensured to obtain Annual and One time Disclosure from the designated persons of TVSE under SEBI (Prohibition of Insider trading) Regulations, 2015. The Code of Internal Procedures and Conduct for regulating, monitoring and reporting of Trading by Insiders is amended from time to time to make it in line with SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code has been communicated to all the employees at the time of orientation and adhered to by the Board of Directors, senior management personnel and the other persons covered under the code. The Company follows closure of trading window prior to publication of price sensitive information. The Company has adopted Fair Practices Code (FPC) as per the regulations. Code of Conduct for Insider Trading Regulation and the Fair Practices Code are available on the Company's Website.

Code of Conduct for Insider Trading Regulation:

<https://www.tvse.in/wp-content/finreports/policy/Insider-trading-Code-updated-7-11-2020.pdf>

Fair Practices Code:

[https://www.tvse.in/wp-content/finreports/policy/TVSE\\_Fair\\_Practices\\_Code.pdf](https://www.tvse.in/wp-content/finreports/policy/TVSE_Fair_Practices_Code.pdf)

The Company has a Policy for procedure of inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information and are available on the Company's website:

[https://www.tvse.in/wp-content/finreports/policy/TVSE\\_UPSI\\_Policy.pdf](https://www.tvse.in/wp-content/finreports/policy/TVSE_UPSI_Policy.pdf)

### **Holding Company**

The Holding Company M/s. TVS Investments Private Limited (TVSI) [formerly Sundaram Investment Limited] was converted into a private limited company with effect from 2nd November 2017, vide Order of the National Company Law Tribunal dated 21st June 2017. TVSI holds 59.84% of the outstanding equity in the Company as on 31st March 2021. There is no change in the shareholding percentage of TVSI in our company from the previous preceding financial year.

### **Subsidiary Company**

The Company does not have any Subsidiary Company as on 31st March, 2021. The details in the form of AOC-1 is given as **Annexure A** to this report.

### **Consolidated Accounts**

The Company does not have any Subsidiary Company/Joint Venture/Associate Company as on 31st March, 2021 and hence the requirement to Consolidate Accounts is not applicable.

### **Annual Return**

In terms of the requirements of Section 134(3)(a) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 the copy of the Annual Return in prescribed format is available on the website of the Company [https://www.tvse.in/wp-content/finreports/annual\\_reports/2021/TVSE-Extract-of-Annual-Return-2020-21.pdf](https://www.tvse.in/wp-content/finreports/annual_reports/2021/TVSE-Extract-of-Annual-Return-2020-21.pdf)

### **Number of Board and Committee Meetings**

The details of the Board and Committee Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

### **Share Capital**

The paid up share capital of the Company as on 31st March 2021 is ₹ 18,65,03,180/- consisting of 1,86,50,318 Equity Shares of ₹ 10/- each.

### **Particulars of Loans, Guarantees or Investments**

The Company has not granted any fresh loans or guarantees or provided any security in connection with any loan to any other body corporate or person covered under the provisions of Section 186 of Companies Act 2013. The details of investments made by the Company are given in the financial statements.

### **Related Party Transactions**

All the related party transactions entered into are on 'arm's length' basis and in the ordinary course of business and are in compliance with the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

None of the transactions are in the nature of having any potential conflict with the interests of the Company at large. There were no material related party transactions during the year.

During the year under review, the Company has entered into transactions with M/s TVS investments Private Limited, Promoter/promoter group which holds 10% or more shareholding in the Company as mentioned in Note 33 of Financial statement for the year ended 31st March 2021.

Omnibus approvals are obtained for related party transactions which are repetitive in nature. In respect of unforeseen transactions, specific approvals are obtained. All related party transactions are approved / reviewed by the Audit Committee on a quarterly basis, with all the necessary details and are presented to the Board and taken on record. The details of transactions with related parties

## Board's Report to the Members (Contd.)

are provided in the financial statements. The Related Party Transactions policy was amended to make it in line with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is uploaded on the Company's website at: <https://www.tvs-e.in/wp-content/finreports/policy/RELATED%20PARTY%20TRANSACTION.pdf>

### Directors and Key Managerial Personnel

#### Independent Directors

All independent Directors hold office for a fixed period of five years and are not liable to retire by rotation. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and the provisions of SEBI (LODR) Regulations, 2015. The terms of appointment of Independent Directors are available in the Company's website [www.tvs-e.in](http://www.tvs-e.in).

The Company has not appointed any new Independent Director during the year. In the opinion of the Board, the existing Independent Directors are with sufficient integrity, expertise and experience. As per the provisions of Rule 6 of The Companies (Appointment and Qualifications of Directors) Rules, 2014, all the Independent Directors have registered their name in the databank maintained by the Indian Institute of Corporate Affairs and the Independent Directors will evaluate their past experiences and complete the online proficiency test, if applicable.

#### Separate Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on 7<sup>th</sup> November, 2020. The Independent Directors actively participated and provided guidance to the Company in all its spheres.

#### Retirement by rotation

Mr. R S Raghavan (DIN : 00260912) Non-Executive Non- Independent Director who will retire by rotation at the ensuing Annual General Meeting of the Company under Section 152(6) of Companies Act 2013 has expressed his desire to seek re-appointment on the Board upon expiry of his present term. The Board at its meeting held on 22<sup>nd</sup> May, 2021, accepted his request and recommended for re-appointment.

#### Managing Director

The Board of Directors at their meeting held on 11<sup>th</sup> May, 2018, based on the recommendation of the Nomination and Remuneration Committee (NRC), appointed Mrs. Srilalitha Gopal (DIN: 02329790), as Managing Director of the Company, liable to retire by rotation, for a period of 5 years from 11<sup>th</sup> May 2018 to 10<sup>th</sup> May 2023, for a total remuneration of ₹ 1.50 Cr p.a., subject to approval of the shareholders.

Subsequently, the Shareholders in the Annual General Meeting held on 9<sup>th</sup> August, 2018 approved the appointment by way of passing special resolution.

Mrs. Srilalitha Gopal continues to be the Managing Director of the Company.

#### Woman Director

In terms of Section 149 of Companies Act, 2013, the Company is required to have a woman director on its Board. Mrs. Srilalitha Gopal, Managing Director is already on the Board of the Company from 10<sup>th</sup> November 2011 and hence the Company fulfills the requirements of the said section.

In terms of Regulation 17 of SEBI (LODR) Regulations, 2015, the top 1000 listed entities shall have at least one Independent Women Director by April 1, 2020. Though the Company is not in the list of top 1000 listed entities, following good corporate governance, the Board at their meeting held on 7<sup>th</sup> February, 2019 appointed Mrs. Subhasri Sriram as Independent Women Director and the shareholders approved the appointment at the Annual General Meeting held on 10<sup>th</sup> August 2019.

#### Key Managerial Personnel (KMPs)

In terms of Section 2(51) and Section 203 of the Companies Act, 2013, Mrs. Srilalitha Gopal, Managing Director, Mr. A Kulandai Vadivelu, Chief Financial Officer and Mr. K Santosh, Company Secretary are the Key Managerial Personnel of the Company, as on date of this report.

Based on the recommendation of Nomination and Remuneration Committee, Mr. A Kulandai Vadivelu was appointed as Chief financial officer of the Company with effect from 6<sup>th</sup> April, 2020.

#### Evaluation of the performance

The members of the Nomination and Remuneration Committee (NRC) has carried out an evaluation of its own performance, that of the Chairman, Managing Director, Directors individually including independent Directors, Board, the sub committees of the Board, Key Managerial Personnel and Senior Managerial Personnel. The Board evaluated the performance of the Independent Directors. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

The Company has also devised a Policy on Board Diversity detailing the functional, strategic and structural diversity of the Board.

#### Nomination and Remuneration Policy

The Nomination and Remuneration Committee of the Company review the composition of the Board, to ensure that there is an appropriate mix of abilities, experience and diversity to serve the interests of the shareholders of the Company.

In accordance to Section 178 of Companies Act, 2013, the Nomination and Remuneration Policy was formulated to govern the terms of nomination, appointment and remuneration of Directors, Key Managerial and Senior Management Personnel of the Company.

The Policy ensures that (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key

## Board's Report to the Members (Contd.)

managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals. The Policy has been approved by the Nomination and Remuneration Committee and the Board.

The Nomination and Remuneration Policy is amended from time to time to make it in line with the amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The document as approved by the Board is available on the Company Website at <https://www.tvs-e.in/wp-content/finreports/policy/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

### Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants (FRN:008072S) were appointed as the Statutory Auditors of the Company at the 22<sup>nd</sup> Annual General Meeting of the Company held on 30<sup>th</sup> June 2017 for the first term of 5 years to hold office up to the conclusion of the 27<sup>th</sup> Annual General Meeting.

In terms of the notification issued by Ministry of Corporate Affairs dated 7<sup>th</sup> May 2018, the requirement of obtaining shareholder's ratification every year has been done away with and requires only the Board approval. Accordingly, the Board of Directors of the Company at its meeting held on 22<sup>nd</sup> May 2021 approved their appointment for the 5<sup>th</sup> year (2021-22) in their term of 5 years to hold office till the conclusion of 27<sup>th</sup> Annual General Meeting.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their Report.

### Internal Auditors

M/s. Grant Thornton India LLP were appointed as the Internal Auditors for the year 2020-21 and the Board at its meeting held on 22<sup>nd</sup> May 2021, re-appointed them as the Internal Auditors for the year 2021-22.

### Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, printers manufactured by the Company and falling under the specified Central Excise Tariff Act heading are covered under the ambit of mandatory cost audits from the financial years commencing on or after 1<sup>st</sup> April 2015.

The Board of Directors at their meeting held on 22<sup>nd</sup> May 2021, appointed Mr. P Raju Iyer, Cost Accountant, Chennai as the Cost Auditor of the Company, to carry out the cost audit for 2021-22, subject to the ratification by shareholders for the remuneration to be paid in the ensuing Annual General Meeting.

### Secretarial Auditors

The Secretarial Auditors of the Company V Suresh associates, Practicing Company Secretary, Chennai carried out Secretarial Audit for the financial year 2020-21 and the same is annexed as **Annexure B**. There is no qualification reported by the Secretarial Auditors in their report for the FY 2020-21.

Based on recommendation of Audit Committee, the Board of Directors at the meeting held on 8<sup>th</sup> August 2020 appointed M/s V Suresh

Associates, Chennai as Secretarial Auditors for the financial year 2020-21.

### Employee Stock Option Plan

The details of the Stock Options granted under Employees Stock Option Scheme 2011 are provided in this Report as **Annexure C**. There are no active ESOP options under the ESOP Scheme, 2011, as on date of this report.

### Credit Rating

The Company has obtained credit rating for the various borrowing facilities from Brickworks Ratings India (P) Ltd., and the same has been renewed.

### Transfer to Investor Education and Protection Fund (IEPF)

#### Unclaimed Dividend:

There was no amount required to be transferred to the IEPF during the year.

#### Transfer of Equity Shares to IEPF Authority:

In terms of the provisions of section 124 (6) of the Companies Act, 2013 read along with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. Further, pursuant to the new explanation inserted on 14<sup>th</sup> August, 2019, effective from 20<sup>th</sup> August, 2019 to the Rule 6 – (Manner of transfer of shares under sub-section 6 of section 124 to the Fund) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, it is clarified that all shares in respect of which dividend has been transferred to IEPF on or before the 7<sup>th</sup> September 2016, shall also be transferred by the Company to IEPF.

Based on the provisions of the Act, Rules and explanations, the Company dispatched notice through registered post to the respective shareholders to apply for the unclaimed dividends within three months from the date of the notice to avoid transfer of shares to IEPF. The said notice was also published in the newspapers (Business Standard – English and Makkal Kurral – Tamil) on 14<sup>th</sup> December, 2019 and subsequently filed the said newspaper publications with the stock exchanges. The said three months' time period was completed on 14<sup>th</sup> March, 2020 (Due Date). Due to the outbreak of Covid-19 and lockdowns imposed by respective state governments, the Company's Share Transfer Agent (STA) was not able to transfer the said shares to IEPF account in the month of March, 2020. In the month of June, 2020, the Company's STA transferred 1,78,100 equity shares in respect of which the dividends remained unclaimed/unpaid as on the due date to the IEPF account. The statement containing the details of name, address, folio number, Demat Account number and number of shares in respect of which dividends are not claimed for seven consecutive years or more is made available in the Company's website viz., [www.tvs-e.in](http://www.tvs-e.in) for information and necessary action by the shareholders. In case the concerned shareholders wish to claim the shares that has been transferred to the IEPF, a separate application has to be made to the IEPF Authority in Form IEPF – 5, as prescribed in Rule 7 of the Rules and the same is available at IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in))

### Particulars of Employees and related disclosures

The particulars of the employees covered by the provisions of Section 197 (12) of Companies Act, 2013 and the rules thereunder forms part of this report. However, as per the provisions of Section 136(1) of Companies Act, 2013, the annual report is being sent to all the members excluding this statement. This will be made available for inspection through email on receiving request from the member.

### Comparative analysis of remuneration paid

A comparative analysis of remuneration paid to Directors and employees with the Company's performance is given as **Annexure D** to this report.

### E-Waste Management

The Company is well ahead in terms of e-waste management compliance directed by Government of India with effect from 1<sup>st</sup> May, 2012. The Company has registered and authorized collection, storage and disposal centres in the required locations and has complied with the statutory requirements relating to E-Waste Management.

### Report on energy conservation, technology absorption, foreign exchange and research and development

Information relating to energy conservation, technology absorption, foreign exchange earned and spent and research and development activities undertaken by the Company in accordance with the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are given in **Annexure E** to the Board's Report.

### Corporate Social Responsibility

Corporate Social Responsibility (CSR) activities have been embedded in the value system of the Company for many decades. The Company continues to be actively engaged in CSR initiatives for development of the society through partnerships and continued to focus on to helping lesser privileged communities in areas like education, health & hygiene, culture & heritage and actively participated in other welfare projects.

The provisions of Section 135 of Companies Act, 2013 became applicable to the Company with effect from 1<sup>st</sup> April 2017. Accordingly, the Board of Directors of the Company, at their meeting held on 12<sup>th</sup> May 2017, constituted the CSR Committee, the details of which are provided in the Corporate Governance report.

Based on the recommendation by the CSR Committee, the Board has approved the projects / programs to be undertaken as CSR activities during the financial year 2020-2021. The Company has spent and undertaken CSR activities during the financial year 2020-2021. The detail of CSR activities has been provided as **Annexure F** to this report.

### Appointment of Integrated Registry Management Services Private Limited (Integrated) as new RTA of the Company

The Company received termination letter from M/s Sundaram Clayton Limited (old Registrar and Share Transfer Agent (RTA) )

on 1<sup>st</sup> February, 2021. The Board of Directors of the Company at its meeting held on 13<sup>th</sup> February 2021, appointed M/s Integrated Registry Management Services Private Limited (Integrated) , Reg. No: INR000000544 as RTA of the Company with effect from 17<sup>th</sup> March 2021. The Company has intimated the initial disclosure about Change of RTA of the Company to the Stock exchanges on 13<sup>th</sup> February 2021 and subsequently updated the developments from time to time. The Contact details of Integrated are given below. The shareholders are requested to take note change in RTA and contact Integrated for any assistance and information.

### Integrated Registry Management Services Private Limited (Integrated)

2<sup>nd</sup> floor, Kences towers, No.1, Ramakrishna street,  
Off North Usman Road, T nagar, Chennai - 600017.  
Ph. No: 044- 28140801/ 044 - 28140803  
Fax no: 044 - 28142479  
Email id: [srirams@inegatedindia.in](mailto:srirams@inegatedindia.in) ,  
[corpserv@inegatedindia.in](mailto:corpserv@inegatedindia.in)

### Corporate Governance

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis Report and a Corporate Governance Report are made part of this Annual Report.

A Certificate from the Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming part of Annual Report.

### Public Deposits

The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 for the year ended 31<sup>st</sup> March, 2021.

### Material changes and commitments

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

### Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations

### Reporting of Fraud

During the year under review, neither the statutory auditors nor the secretarial auditors has reported any instances of fraud committed against the Company by its officers or employees, as specified under Section 143(12) of Companies Act, 2013.

**Secretarial Standards**

The Company has complied with the applicable Secretarial Standards issued by Institute of Company Secretaries of India ("ICSI").

**Other laws:****Disclosure in terms of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company has constituted the internal Committee and complied with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**During the year under review**

Number of complaints received in the year: Nil

Number of complaints disposed off during the year: NA

Number of cases pending for more than 90 days: Nil

Number of Workshop or awareness Program: One awareness program was conducted during the women's forum day and e-learning courses\* were launched by the Company.

Nature of Action taken by the employer or District Officer: Nil

\*ELearning on POSH (Prevention of Sexual Harassment)- Mandatory Course was developed by of the Company to educate and spread awareness to all the employees of TVSE.

**Insolvency Proceedings pending, if any under the Insolvency and Bankruptcy Code 2016**

During the year, no application has been made and there are no proceeding pending under Insolvency and Bankruptcy Code 2016.

**Details of difference between amount of the valuation done at the time of one time settlement and while taking loan**

No such event has occurred during the year under review.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The Company has not raised funds through preferential allotment or qualified institutions placement during the financial year 2020-2021.

**Directors' Responsibility Statement**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultants, advisors of the Company and the reviews performed by Management and the relevant Board Committees, including the Audit

Committee, the Board is of the opinion that the Company's internal financial controls with reference to the financial statements were adequate and effective during the financial year 2020-21:

The financial statements have been prepared in accordance with the Indian Accounting Standards, which has become applicable to the Company with effective from 1<sup>st</sup> April 2017.

In terms of Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, further confirm:

1. that in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2021, the applicable Indian accounting standards have been followed and that there were no material departures;
2. that they had selected such accounting policies and applied them consistently and made judgments 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 31<sup>st</sup> March, 2021 and of the profits of the Company for the year under review;
3. that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they had prepared the annual accounts for the year ended 31<sup>st</sup> March, 2021 on a "going concern" basis;
5. that they had laid down internal financial controls which are adequate and are operating effectively;
6. that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**ACKNOWLEDGEMENT**

The Directors wish to place on record their appreciation for the committed service of all the employees.

The Directors would also like to express their grateful appreciation for the assistance and co-operation received from the customers, dealer partners, business partners, bankers and its holding companies TVS Investments Private Limited and T.V.Sundram Iyengar & Sons Private Limited.

The Directors thank the Shareholders for the continued confidence and trust placed by them in the Company.

**For and on behalf of the Board**

**Gopal Srinivasan**  
Chairman  
DIN:00177699

**Chennai**  
22<sup>nd</sup> May 2021.

**Form AOC-I**

(Pursuant to first proviso to Sub-Section (3) of Section 129 read with  
Rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of Subsidiary  
For the Financial year ended 31<sup>st</sup> March 2021**

**Part "A" : Subsidiary**

(₹ in Lakhs)

Sl. No.	Particulars	
1	Name of the subsidiary	NA
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & Surplus	
6.	Total Assets	
7.	Total Liabilities	
8.	Investments	
9.	(a) Turnover	
	(b) Other Income	
10.	Profit (Loss) before Taxation	
11.	Provision for Taxation	
12.	Profit after Taxation	
13.	Proposed dividend	
14.	% of shareholding	

**Notes:**

- Names of subsidiaries which are yet to commence operations : Nil.
- Names of subsidiaries which have been liquidated or sold during the year : Nil
- Since there are no Associate Companies or Joint Ventures, the Part B is not applicable.

For and on behalf of the Board

**GOPAL SRINIVASAN**  
Chairman

**K SANTOSH**  
Company Secretary

**SRILALITHA GOPAL**  
Managing Director

**A KULANDAI VADIVELU**  
Chief Financial Officer

As per our report of even date annexed

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
Firm Registration No: 008072S

**GEETHA SURYANARAYANAN**  
Partner  
Membership No: 29519

Chennai  
22<sup>nd</sup> May, 2021

Form No. MR-3

Secretarial Audit Report for the financial year 2020-21

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,  
**TVS ELECTRONICS LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TVS ELECTRONICS LIMITED (hereinafter called the Company)**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and for the purpose of issuing this Report.

Based on our verification of **TVS ELECTRONICS LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. TVS ELECTRONICS LIMITED** ("the Company") for the financial year ended on 31<sup>st</sup> March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **(Not applicable to the Company during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period)**

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable)**.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)**.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period)**.

Other Laws specifically applicable to this Company is as follows:

- (vi) E-Waste (Management) Rules, 2016.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**We further report** that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent to at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members views are captured and recorded as part of the minutes.

**We further report** that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For V Suresh Associates  
Practising Company Secretaries

V Suresh  
Senior Partner  
FCS No. 2969  
C.P.No. 6032

Place: Chennai  
Date: 21.05.2021

Peer Review Cert. No. : 667/2020  
UDIN: F002969C000352340

V Suresh Associates  
PCS • Insolvency Professional • Regd. Valuer of Financial Assets

Phone : 044 – 4211 1701  
E-mail: vsureshpcs@gmail.com

No.28, 1<sup>st</sup> Floor, Ganapathy Colony, III<sup>rd</sup> Street, Teynampet, Chennai - 600 018.

### ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members  
**TVS ELECTRONICS LIMITED**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates  
Practising Company Secretaries

V Suresh  
Senior Partner  
FCS No. 2969  
C.P.No. 6032

Peer Review Cert. No. : 667/2020  
UDIN: F002969C000352340

Place: Chennai  
Date: 21.05.2021

Disclosure under SEBI (share based employee benefits) Regulation, 2014 (cumulative position)

Employees Stock Option Scheme 2011

a)	Options Granted	11,05,000
b)	Pricing Formula	The Exercise Price and for the purpose of grant of stock options will be decided by the Nomination and Remuneration Committee, provided that the Exercise Price per option shall not be less than the par value of the Equity Share of the Company.
c)	Options Vested	6,57,500
d)	Options Exercised	6,27,500
e)	The total no. of ordinary shares arising as a result of exercise of options	6,27,500
f)	Options lapsed	4,77,500
g)	Variation of terms of options	Nil
h)	Money realized by exercise of options	₹ 62,75,000/-
i)	Total no. of options in force	Nil
j)	(i) Details of options granted to Senior Managerial Personnel during the year	Nil
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	Nil
	(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital outstanding (excluding outstanding warrants & conversions) of the Company at the time of grant.	Nil
k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the International Accounting Standard.	-

As on the date of this report there are no active ESOP options under the ESOP Scheme 2011.

For and on behalf of the Board

Chennai  
22<sup>nd</sup> May, 2021

Gopal Srinivasan  
Chairman  
DIN : 00177699

**Annexure 'D' to Board's Report**
**Comparative Analysis of Remuneration**

S. No.	Name (M/s.)	Designation	Ratio to Median Remuneration	% increase in Remuneration
1.	Gopal Srinivasan	Chairman	NA	NA
	Srilalitha Gopal	Managing Director	1:22*	NA
	D Sundaram**	NENID	NA	NA
	M. Lakshminarayan	NEID	NA	NA
	M F Farooqui	NEID	NA	NA
	R S Raghavan	NENID	NA	NA
	K Balakrishnan	NEID	NA	NA
	V Sumantran	NEID	NA	NA
	Subhasri Sriram	NEID	NA	NA
	A Kulandai Vadivelu***	CFO	1:11	Nil
	K Santosh	CS	1:5	Nil
2.	Percentage Increase in the median remuneration of employees in the financial year		Nil	
3.	The number of permanent employees in the rolls of the Company		420	
4.	Average percentile increase in the salaries of employees other than managerial personnel and for the managerial personnel during the year 2020-21 was nil.			
5.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.			

\* Voluntarily waived variable pay, payable in FY 2020-21.

\*\* Mr. D Sundaram, Director retired by rotation with effect from 8<sup>th</sup> August, 2020.

\*\*\* Mr. A Kulandai Vadivelu was appointed as CFO with effect from 6<sup>th</sup> April, 2020.

NENID : Non Executive Non Independent Director

NEID : Non Executive Independent Director

**For and on behalf of the Board**

Chennai  
22<sup>nd</sup> May, 2021

**Gopal Srinivasan**  
Chairman  
DIN : 00177699

## Annexure 'E' to Board's Report

### INFORMATION RELATING TO ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNINGS AND OUTGO FORMING PART OF DIRECTORS' REPORT IN TERMS OF SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

#### (a) Conservation of energy

(i)	the steps taken or impact on conservation of energy	NIL
(ii)	the steps taken by the company for utilizing alternate sources of energy	Modified Power Supply Unit of 9w/24W DMP to work with Solar Energy Systems
(iii)	the capital investment on energy conservation equipments	NIL

#### (b) Technology absorption

(i)	the efforts made towards technology absorption	<ul style="list-style-type: none"> <li>Adapted RF 2.4Ghz interface for Membrane / Mechanical Keyboards</li> <li>Developed BT5.0 interface for Dot Matrix Printers</li> <li>Adapted video streaming for Surveillance products</li> <li>Developed Android SDK for Dot Matrix Printers</li> </ul>
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>9w Print head life enhanced by 50%</li> <li>Devanagari Language support incorporated 4" Mobile Thermal printer</li> <li>Introduced CCTV cameras and recorders</li> <li>Local assembly of Barcode scanners, Thermal printers, Wireless keyboard and surveillance products</li> </ul>
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
(iv)	the details of technology imported	NA
(v)	the year of import;	NA
(vi)	whether the technology been fully absorbed	NA
(vii)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(viii)	the expenditure incurred on Research and Development	Nil

#### (c) Foreign exchange earnings and Outgo

The Company exported Printers and other components

	31 <sup>st</sup> March, 2021 In ₹ Lakhs	31 <sup>st</sup> March, 2020 In ₹ Lakhs
(a) Total Forex earned (FOB) :	192.68	77.94
(b) Total Forex used (FOB) :	6,484.64	6,068

For and on behalf of the Board

Gopal Srinivasan  
Chairman  
DIN : 00177699

Chennai  
22<sup>nd</sup> May, 2021

## Annexure 'F' to Board's Report

### PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2020-21

- Brief outline on CSR Policy of the Company: The Company was engaged in CSR activities for the past many decades. Through CSR initiatives, the Company intends to give back to society as a corporate citizen, with a focus on education, health and hygiene, culture and heritage. The CSR policy inter alia guides on CSR budget and utilization, project identification and selection criteria, monitoring and reporting framework etc. The complete CSR policy of the Company may be accessed at the website of the Company [www.tvs-e.in](http://www.tvs-e.in)
- Composition of CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. M Lakshminarayan	Chairman	1	1
2.	Mr. R S Raghavan	Member	1	1
3.	Mr. K Balakrishnan	Member	1	1

- Provide the Web-link where Composition of CSR committee CSR policy and CSR projects approved by the board are disclosed on the Website of the Company <https://www.tvs-e.in/investor-relations/>
- Provide the details of Impact assessment of CSR projects carried Out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules 2014, if applicable: **NOT APPLICABLE**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
1			NIL
	<b>TOTAL</b>		NIL

- Average net profit of the company as per section 135(5) : ₹ **1224.55 Lakhs**
- (a) Two percent of average net profit of the company as per section 135(5) : ₹ **24.49 Lakhs**  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: **NIL**  
 (c) Amount required to be set off for the financial year, if any : **NIL**  
 (d) Total CSR obligation for the financial year (7a+7b- 7c) : ₹ **24.49 Lakhs**
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
	NIL				

## Annexure 'F' to Board's Report

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1) CSR	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
NIL												

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/ No)	(5) Location of the project.		(6) Amount spent for the project (in ₹)	(7) Mode of implementation - Direct (Yes/No)	(8) Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Donation paid to Siddhaganga Mutt (for Student Adoption Scheme)	Education	Yes	Karnataka	Tumkur	16,00,800	Yes		NIL
2.	Donation paid to Vidhya Mandir school	Education	Yes	Tamilnadu	Chennai	2,50,000	Yes		NIL
3.	Donation paid to Indian Institute of Technology	Education	Yes	Tamilnadu	Chennai	50,000	Yes		NIL
4.	Donation paid to Padma Seshadri Bala Bhavan School	Education	Yes	Tamilnadu	Chennai	25,000	Yes		NIL
5.	Donation paid to Sri Parthasarathy Swami Saba	Art and Culture	Yes	Tamilnadu	Chennai	50,000	Yes		NIL
6.	Donation paid to Sri Ram Janmbhoomi Theertham	Protection of National Heritage	No	Uttarpradesh	Ayodhya	11,00,000	Yes		NIL
7.	T.S.Srinivasan - Medical Foundation (Doctor fees and Rent)	Health	Yes	Karnataka	Tumkur	1,75,000	Yes		NIL
8.	Face Shield & Masks - Distributed to Public	Health	Yes	Tamilnadu	Chennai	1,25,000	Yes		NIL

(d) Amount spent in Administrative Overheads : ₹ 1,20,000

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 34,95,800

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	24,49,000
(ii)	Total amount spent for the Financial Year	34,95,800
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10,46,800
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,46,800

**Annexure 'F' to Board's Report**

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the Reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Projected	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed / Ongoing
NIL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (**asset-wise details**).

(a) Date of creation or acquisition of the capital asset(s) : NIL

(b) Amount of CSR spent for creation or acquisition of capital asset. : NIL

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. : NIL

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NIL

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). : NIL

Sd/-

**Mrs. Srilalitha Gopal**  
**Managing Director**  
**(DIN: 02329790)**

Sd/-

**Mr. M Lakshminarayan**  
**Chairman CSR Committee**  
**(DIN: 00064750)**

[Under Regulation 34(3) read with Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**(1) Brief statement on Company's Philosophy on Code of Governance**

The Company, in line with the philosophy of TVS Group, follows good and effective principles of Corporate Governance on a continuous and ongoing basis by adopting fair, transparent and ethical governance practices. The Company is committed to conducting its business to achieve long term growth to enhance shareholders wealth.

The activities and conduct of the Company are governed by the Code of Business Conduct and Ethics for its Directors (including its Non-Executive Directors) and senior management personnel. The measures implemented by the Company, including the Vigil Mechanism, internal control systems, etc., are regularly assessed for their effectiveness. The Board of Directors conducts business in due compliance of the applicable laws and periodically undertakes review of business plans, performance and compliance to regulatory requirements.

**(2) Board of Directors**

As at 31<sup>st</sup> March 2021, the Board of Directors of the Company consisted of Eight (8) Directors comprising of a Non-Executive and Non-Independent Chairman, Managing Director, one Non- Executive and Non-Independent Director, and five Non-Executive Independent Directors. All Board members are accomplished professionals in their respective fields of expertise.

None of the Directors are related to each other except Mr. Gopal Srinivasan and Mrs. Srilalitha Gopal who are spouses.

During the year under review, Mr. D. Sundaram (DIN 00016304), non-executive non- independent Director did not offer himself

for re-appointment and retired by rotation from his directorship on 08<sup>th</sup> August 2020. The Board confirms that there are no other material reasons other than those provided in the above. The Board placed on record its deep appreciation for his valuable advice and guidance and for contribution to the Board during his tenure with the Company. The structure consists of Board of Directors and various sub committees overseeing the entire management.

All the Directors have disclosed other directorships and committee positions in other public companies. It is observed that directorships / committee memberships and chairmanships are as per the prescribed limits provided under the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the financial year 2020-21, six Board Meetings were held respectively on 6<sup>th</sup> June 2020, 8<sup>th</sup> August 2020, 7<sup>th</sup> November 2020, 13<sup>th</sup> February 2021, 13<sup>th</sup> March 2021 and 26<sup>th</sup> March 2021. The gap between any two meetings did not exceed 120 days.

The last Annual General Meeting (AGM) of the Company was held on 8<sup>th</sup> August 2020 virtually through Video Conferencing / Other Audio Visual means and all the Directors were present at the AGM to answer the queries from the shareholders.

All the existing Non Executive Independent Directors are not liable to retire by rotation and have been appointed by the shareholders at the general meeting for a period of 5 years.

The names and categories of the Directors on the Board as on date of this report, their attendance at Board Meetings and AGM held during 2020-21 and the number of directorships and Committee Chairmanships/Memberships held by them in other companies are provided hereunder:

Name of the Director	Category	No. of Board Meetings during the year 2020-21		Whether attended last AGM held on 8 <sup>th</sup> August, 2020	Number of other Directorships and Committee Memberships / Chairmanships		
		Held	Attended		Other Directorships (a)	Committee Memberships (b)	Committee Chairmanships
Mr. Gopal Srinivasan Chairman DIN 00177699	Chairman Non Independent Non Executive	6	6	Yes	17	2	-
Mrs. Srilalitha Gopal DIN 02329790	Executive Director	6	6	Yes	4	-	-
* Mr. D Sundaram DIN 00016304	Non Independent Non Executive	1	1	Yes	9	7	5
Mr. M Lakshminarayan DIN 00064750	Independent Non Executive	6	6	Yes	12	5	2
Mr. M F Farooqui DIN 01910054	Independent Non Executive	6	6	Yes	1	-	-
Mr. R S Raghavan DIN 00260912	Non-Independent Non Executive	6	6	Yes	3	2	-
Mr. K Balakrishnan DIN 00722447	Independent Non Executive	6	6	Yes	3	1	-
Dr. V Sumantran DIN 02153989	Independent Non Executive	6	6	Yes	4	2	1
Mrs. Subhasri Sriram DIN 01998599	Independent Non Executive	6	6	Yes	5	1	-

(a) includes directorship of private limited companies and body corporates.

(b) Includes membership of Audit Committee, Stakeholders Relationship Committee only of listed and unlisted public company.

\* Mr. D Sundaram, Non Independent Non Executive Director did not offer himself for re-appointment and retired by rotation from his directorship on 08.08.2020.

## Report on Corporate Governance (Contd.)

SL.No	Name of the Director	Name of Listed Company	Category of Directorship
1	Mr. Gopal Srinivasan Chairman DIN 00177699	Sundaram -Clayton Limited	Non Executive Non Independent Director
		Wonderla Holidays Limited	Independent Director
2	Mrs. Srilalitha Gopal DIN 02329790	NIL	
3	Mr. M Lakshminarayan DIN 00064750	Kirloskar Oil Engines Limited	Independent Director
		Suprajit Engineering Limited	Independent Director
		Wabco India Limited	Independent Director
		Wendt India Limited	Independent Director
		ASM Technologies Limited	Independent Director
4	Mr. M F Farooqui DIN 01910054	The Ramco Cements Limited	Independent Director
5	Mr. R S Raghavan DIN 00260912	NIL	
6	Mr. K Balakrishnan DIN 00722447	NIL	
7	Dr. V Sumantran DIN 02153989	Rane Holdings Limited	Independent Director
		InterGlobe Aviation Ltd	Independent Director
8	Mrs. Subhasri Sriram DIN 01998599	Niyogin Fintech Limited	Independent Director
9	Mr. D Sundaram * DIN 00016304	Infosys Limited	Independent Director
		Glaxosmithkline Pharmaceuticals Limited	Independent Director
		ACC Limited	Independent Director
		Crompton Greaves Consumer Electricals Ltd	Independent Director

A Certificate from the Practising Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached to this Report.

\* Mr. D Sundaram retired by rotation with effect from 08<sup>th</sup> August, 2020.

### Shares held by Directors

As on the date of this report, Mr. Gopal Srinivasan holds 150 equity shares in the company. None of the other directors hold any equity shares in the Company and there are no convertible instrument or any other kind of shares issued by the company.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company other than Sitting Fees for Board and Committee Meetings.

The Company ensures that all statutory, significant material information are placed before the Board/Committees of Directors for their noting / approval to enable them to discharge their responsibilities as trustees of the large family of shareholders. During the year, information on matters mentioned in terms of Regulation 17 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration. The Board periodically reviews compliance of all laws applicable to the Company.

### Scheduling and selection of Agenda items for Board Meetings

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee Meetings.

### Post meeting follow-up mechanism

Important decisions taken at the Board/Committee Meetings are promptly communicated to the concerned departments. Action Taken Report on decisions/minutes of previous meetings is placed at the succeeding meetings of the Board/Committee for noting.

### Code of Conduct for Board of Directors and Senior Management

The Code of Conduct has been communicated to all the Directors and members of the senior management. The Code is also available on the Company's website at <https://www.tvs-e.in/wp-content/finreports/policy/Code%20of%20Conduct.pdf>. All Directors and Senior Management Personnel have confirmed compliance with the Code for the year ended 31<sup>st</sup> March, 2021. The Annual Report contains a declaration to this effect signed by the Managing Director.

### (3) Audit Committee

As on the date of this report, the Audit Committee consists of the following members:

Mrs. Subhasri Sriram – Non Executive Independent- Chairperson of the Committee

Mr. M Lakshminarayan – Non Executive Independent  
 Mr. M F Farooqui – Non Executive Independent  
 Mr. K Balakrishnan - Non Executive Independent  
 Dr. V Sumantran - Non Executive Independent  
 Mr. R S Raghavan - Non Executive Non Independent

The Board at its meeting held on 8<sup>th</sup> August 2020, reconstituted the Audit Committee and appointed Mrs. Subhasri Sriram as Chairperson of Audit Committee and Mr. R S Raghavan as member of Audit Committee. Mr. D Sundaram Non executive Non Independent Director did not offer himself for re-appointment and retired by rotation at the 25<sup>th</sup> Annual general Meeting of the Company with effect from 8<sup>th</sup> August 2020 and ceases to be the member of Audit Committee.

The members of the Audit Committee possess financial / accounting expertise and exposure. The Audit Committee consists of majority of Independent Directors.

The Company Secretary/Compliance officer of the Company acts as the Secretary of the Committee.

The Committee's constitution and terms of reference are in compliance of the Companies Act, 2013, Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The last Annual General Meeting (AGM) of the Company was held on 8<sup>th</sup> August, 2020 virtually through Video Conferencing / Other Audio Visual Means. All the Directors attended the AGM through Video conferencing/ Other Audio Visual Means.

**The brief terms of reference are as under:**

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing, with the management, the quarterly and annual financial results and statements before submission to the Board for approval.
3. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor including Cost Auditors and the fixation of their fees.
4. Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
5. To review the functioning of the Whistle Blower and Vigil mechanism.
6. Approval or any subsequent modification of transactions of the Company with related parties.
7. Scrutiny of inter-corporate loans and investments
8. Evaluation of internal financial controls and risk management systems
9. Reviewing the utilization of loans and/ or advances or investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date.

10. Other matters as set out in the Companies Act, 2013 and the rules made thereunder and under the SEBI (LODR) Regulations, 2015.

All regulations pertaining to the meetings of the Board / Committees of the Board as contained in the Articles of Association of the Company in so far as they are not repugnant to the context and meaning thereof, to the provisions contained herein, shall mutatis-mutandis, apply to the meetings of this Committee.

The subjects reviewed and recommended in the meetings of the Audit Committee were appraised to the Board by the Chairperson of the Audit Committee.

Five Audit Committee Meetings were held during the year respectively on 6<sup>th</sup> June 2020, 7<sup>th</sup> August 2020, 7<sup>th</sup> November 2020, 13<sup>th</sup> February 2021 and 26<sup>th</sup> March 2021. The gap between any two meetings did not exceed 120 days. The members of Audit Committee met on 12<sup>th</sup> February 2021, and reviewed and discussed the Enterprise Risk Management. The proceedings of Enterprise Risk Management review meeting were reviewed and discussed in detail and recorded in the Audit Committee Meeting held on 13<sup>th</sup> February 2021.

The Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors, Cost Auditors, Secretarial Auditors and such other executives, as may be required are invitees to the meeting.

**Details of the Audit Committee Meeting:**

The details of Audit Committee meetings attended by its members, in terms of the SEBI (LODR) Regulations, 2015, during the financial year 2020-21 are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1	Mrs. Subhasri Sriram (Chairperson)	Non-Executive Director – Independent	5	5
2	Mr. M Lakshminarayan	Non-Executive Director – Independent	5	5
3	Mr. M F Farooqui	Non-Executive Director – Independent	5	5
4	Mr. K Balakrishnan	Non-Executive Director – Independent	5	5
5	Dr. V Sumantran	Non-Executive Director – Independent	5	5
6	Mr. R S Raghavan *	Non-Executive Director- Non-Independent	3	3
7	Mr. D Sundaram*	Non-Executive Director- Non-Independent	2	2

\* Mr. R S Raghavan appointed as the member of the Committee with effect from 8<sup>th</sup> August 2020.

\*Mr. D Sundaram retired by rotation with effect from 08<sup>th</sup> August, 2020.

## Report on Corporate Governance (Contd.)

### (4) Nomination and Remuneration Committee (NRC):

The NRC as on the date of this report consists of the following members:

Mr. M F Farooqui – Non Executive - Independent – Chairman of the Committee

Mr. M Lakshminarayan – Non Executive - Independent

Mr. K Balakrishnan – Non Executive - Independent

Mrs. Subhasri Sriram – Non Executive - Independent

The Company Secretary/Compliance Officer shall be the Secretary of the Committee.

As per the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the members of the NRC are non-executive Directors.

#### Brief terms of reference:

- 1) To identify persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment and / or removal to the Board of Directors of the Company.
- 2) To carry out the evaluation of every Director's performance.
- 3) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees.
- 4) To formulate the criteria of evaluation of Independent Directors and the Board.
- 5) To devise a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- 6) To review and recommend remuneration of Managing Directors/ Whole time directors based on their performance and defined assessment criteria.
- 7) To administer, monitor, formulate the detailed terms and conditions of the Employees Stock Option Scheme and allot shares under the said ESOP Scheme to the employees / Directors of the Company, its subsidiaries and holding company.
- 8) Recommend to the Board, all remuneration, in whatever form, payable to senior Management.
- 9) In terms of Regulation 19 (3A) of SEBI Listing Regulations, the NRC shall meet at least once in a year.
- 10) Other matters as set out in the Companies Act, 2013 and the rules made thereunder and under the SEBI( LODR) Regulations, 2015.

The Nomination and Remuneration Committee met once during the financial year 2020-21 on 5<sup>th</sup> June 2020.

The details of Nomination and Remuneration Committee meetings attended by its members are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Mr. M F Farooqui, Chairman	Non-Executive Director-Independent	1	1
2.	Mr. M Lakshminarayan	Non-Executive Director-Independent	1	1
3.	Mr. K Balakrishnan	Non-Executive Director - Independent	1	1
4.	Mrs. Subhasri Sriram	Non-Executive Director - Independent	1	1

The Members of Nomination and Remuneration Committee reviewed the performance of Chairman of the Company, Managing Director, Non- Executive Non Independent Director, Key Managerial Personnel, Senior Managerial Personnel, Board as a whole, Committees self assessment and peer review.

#### **Policy on Remuneration and Selection Criteria**

The Board has, on the recommendation of the Nomination and Remuneration Committee has framed a policy for selection and appointment of Directors, Key Managerial Personnel, Senior Management and their remuneration.

The Nomination and Remuneration Policy (NRC) is amended from time to time to make it in line with the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the same is posted on the website of the Company at <https://www.tvs-e.in/wp-content/finreports/policy/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

#### **Remuneration Policy**

##### **Directors**

NRC will recommend the remuneration for Executive and Non-Executive Directors, which will then be approved by Board and shareholders, wherever required, as the case may be.

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board and Committee Meetings. The sitting fees shall be decided by the Board of Directors within the overall limits prescribed under the Companies Act, 2013.

### (5) Remuneration to Directors:

#### (a) Non – Executive Directors

During the year, 2020-21, the Company paid Sitting Fees of ₹ 25,000/- per meeting to its Non- Executive Directors for attending meetings of the Board and its Committees, which is within the limits prescribed under the Companies Act, 2013.

## Report on Corporate Governance (Contd.)

Details of remuneration paid to Non-executive Directors for the year ended 31<sup>st</sup> March, 2021:

(₹ Lakhs)

Name of the Director	Sitting fees %
Mr. Gopal Srinivasan	1.5
Mr. D Sundaram*	0.75
Mr. M Lakshminarayan	3.75
Mr. M F Farooqui	3.5
Mr. R S Raghavan	3.00
Mr. K Balakrishnan	4.00
Dr V Sumantran	3.5
Mrs. Subhasri Sriram	3.25

\* Mr. D Sundaram retired by rotation with effect from 8<sup>th</sup> August 2020.

(% Includes sitting fees paid for Enterprise Risk Management review meeting.)

No pecuniary relationship with any of Non Executive Directors of the Company except for payment of sitting fees for attending Board/ Committee meetings of the Company. Further the criteria to make payment to non-executive directors is mentioned in detail under Nomination and Remuneration Policy on the Website of the Company <https://www.tvse.in/wp-content/finreports/policy/NOMINATION%20AND%20REMUNERATION%20POLICY.pdf>

Sl. No	Additional disclosure with respect to remuneration paid to Non Executive Director under Companies Act, 2013	
i.	all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.	NIL
ii.	details of fixed component and performance linked incentives, along with the performance criteria;	
iii.	Service contracts, notice period, severance fees;	
iv.	Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.	No Stock option had been issued to any of the Directors of the Company.

Details of remuneration paid to executive Directors for the year ended 31<sup>st</sup> March 2021.

(In ₹ Lakhs)

Name of the Director	Salary/ Perquisites, etc.	Commission	Employees Stock options	Total
Mrs. Srilalitha Gopal	89.02	Nil	Nil	89.02*

\* Voluntarily waived variable pay, payable in FY 2020-21.

- (b) There is no separate provision for payment of severance fees to any of the Directors of the Company.

### Senior Management Personnel

The remuneration of Senior Management and Key Managerial personnel is decided considering the current employment scenario and remuneration package of the industry. The relationship between the remuneration and performance benchmark is also made clear while determining their remuneration package.

The Company has amended the Nomination and Remuneration Policy to make it in line with amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Members of Nomination and Remuneration reviewed the performance of Key Managerial Personnel and Senior Managerial Personnel and recommended the performance compensation for FY 2020-2021 and remuneration payable for FY 2021-2022.

### Criteria for Board membership

#### Directors

The Company has appointed the Directors with rich experience and expertise in various Sectors of Finance, Information Technology, governance and other disciplines to ensure Board diversity with Directors having expertise in the fields related to the Company's business.

#### Independent Directors

The Independent Directors are appointed by the shareholders and they do not have any direct or indirect material relationship with the Company or any of its officers and they meet all criteria specified in Section 149(6) of the Companies Act, 2013 and the Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In terms of provisions of Rule 6 (Compliances Required by a person eligible and willing to be appointed as Independent Directors) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, all the Independent Directors of the Company have registered with the Digital Databank maintained by the Indian Institute of Corporate Affairs (IICA). Based on the past experiences, few Independent Directors are exempted from undergoing the online proficiency test and others are in process of evaluating their past experience and completing the online proficiency test, if applicable within the timeline prescribed under the Companies Act, 2013 and the Rules thereof.

In the opinion of the Board, the Independent Directors fulfil the conditions specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and they are not debarred from holding office as a Director, by virtue of any SEBI order or any other such authority.

The Nomination and Remuneration Committee and Board ensures that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013 and are not debarred from holding office as a Director, by virtue of any SEBI Order or any other such authority.

### Evaluation

#### Board Evaluation and criteria

Pursuant to the provisions of Companies Act, 2013, the members of Nomination and Remuneration Committee and all the Independent Directors of the Company has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of all its Committees. Board Evaluation has been carried out on the basis of functioning,

## Report on Corporate Governance (Contd.)

adequacy of composition of the Board and its Committees, Board processes and of its Committees, Board culture, execution and performance of the obligations and governance of the Board as well as the Committees.

### Evaluation Criteria:

The NRC laid down the criteria for evaluating the performance of every Director, Committees of the Board and the Board as a whole.

The performance evaluation of the Board as a whole was assessed based on the criteria like its composition, size, mix of skills and experience, its meeting sequence, effectiveness of discussion, decision making, follow-up action, quality of information, governance issues, performance and reporting by various committees set up by the Board.

NRC prescribed a peer evaluation methodology by way of set of questionnaire to evaluate the performance of individual Directors, Committee(s) of the Board, Chairman and the Board as a whole, and the Board carried out the performance evaluation as per the methodology.

The performance evaluation of individual director was carried out based on his / her commitment to the role and fiduciary responsibilities as a Board member, attendance and active participation, strategic and lateral thinking, contribution and recommendations given professionally, heading / acting as member of various Committees etc.

The performance of Key Managerial Personnel (KMP) Senior Management Personnel (SMP) was measured against their achievement of the business plans approved by the Board during and at the completion of the financial year. An evaluation of performance has been undertaken based on the criteria for all SMP for 2020-21 and this has been in accordance with the NRC policy.

The NRC has the overall responsibility for evaluating and approving the compensation plans, policies and programmes applicable to SMP.

### Policy on Board Diversity

The Nomination and Remuneration Committee has devised the Policy on Board diversity to have balance of skills, experience and diversity on the Board.

### (6) Stakeholders' Relationship Committee (SRC):

As on the date of this report, the SRC comprises of the following members:

Dr. V Sumantran \* – Non Executive Independent Director – Chairman of the Committee

Mrs. Srilalitha Gopal – Executive Director

Mr. K Balakrishnan – Non Executive Independent director

\* Appointed as the Chairman of the Committee. (w.e.f 08<sup>th</sup> August, 2020)

Mr K Santosh Company Secretary/Compliance officer of the Company acts as the Secretary of the Committee.

The Board at its meeting held on 08<sup>th</sup> August 2020, reconstituted the Stakeholders' Relationship Committee and appointed Dr. V Sumantran Non executive Independent Director as Chairman of the Committee. Mr. D Sundaram Non Executive Non Independent Director did not offer himself for re-appointment and retired by rotation with effect from 08<sup>th</sup> August 2020 and cease to be the chairman and member of the SRC.

The Stakeholders' Relationship Committee met once during the year on 7<sup>th</sup> November, 2020.

The details of Stakeholders' Relationship Committee meetings attended by its members are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Dr. V Sumantran	Non-Executive Director-Independent	1	1
2.	Mrs. Srilalitha Gopal	Executive Director-Non-Independent	1	1
3.	Mr. K Balakrishnan	Non-Executive Director-Independent	1	1

As required by the Listing Regulations, Mr K Santosh, Company Secretary is the Compliance Officer of the Company, who oversees the redressal of investor grievances.

For any clarification / complaint, the Shareholders may contact the Company Secretary.

### Complaints received and redressed during the financial year 2020-21:

Pending at the beginning of the year	Received during the year	Resolved during the year	Not solved to the satisfaction of shareholders	Pending at the end of the year
0	1	1	Nil	Nil

In the beginning of the year, the Company has no complaint as pending. During the year one complaint was received and was resolved within the year. As of 31<sup>st</sup> March, 2021 no complaints were pending for redressal. The dematerialisation requests from the Shareholders were also carried out within the stipulated time and no Certificates were pending for dematerialisation as at the end of the financial year 31<sup>st</sup> March, 2021.

### (7) Corporate Social Responsibility (CSR) Committee

As on the date of this report, The Corporate Social Responsibility Committee consists of the following members:

Mr. M Lakshminarayan, Chairman – Non Executive Independent Director

Mr. K Balakrishnan, Member - Non Executive Independent Director

Mr. R S Raghavan, Member - Non Executive Non Independent Director

## Report on Corporate Governance (Contd.)

The CSR Committee met on 7<sup>th</sup> November 2020 and all the members were present at the meeting. The details of CSR Policy, initiatives and spending are spelt out in Directors report.

### (8) Risk Management

The Company has formulated and implemented a detailed Risk Management Matrix covering key aspects as provided under SEBI (LODR) Regulations, 2015.

### (9) Meeting of Independent Directors

During the year, the Independent Directors met on 7<sup>th</sup> November 2020 and evaluated the performance of Non-Independent Directors, the Board as a whole, its Committees, Managing Director and the Chairman of the Company.

The Independent Directors also discussed the Board processes including the evaluation of quality content and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Company has issued formal letters of appointment to Independent Directors and also disclosed the terms of appointment in the website of the Company.

In the opinion of the Board, the Independent directors fulfill the conditions specified in these regulations and are independent of the management.

### (10) General Body Meetings:

#### a. Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2018	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road T. Nagar, Chennai – 600 017	09.08.2018	10.00 AM
2019	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road T. Nagar, Chennai – 600 017	10.08.2019	10.00 AM
2020	Through Video Conferencing / Other Audio Visual Means ( VC / OAVM)	08.08.2020	10.00 AM

#### b. Extraordinary General Meeting

No Extraordinary General meeting was conducted during the year.

#### Postal Ballot

No Postal Ballot process was conducted during the year.

#### Special Resolutions

a. Details of Special Resolutions passed by Shareholders during the last three years are given below:

Year	Subject matter of Resolution	Date of AGM
2018-19	Appointment of Srilalitha Gopal, Managing Director	9 <sup>th</sup> August, 2018
2019-20	Reappointment of Mr. M Lakshminarayan (DIN: 00064750) as Independent Director for the second term of 5 years and to continue directorship after attaining 75 years	8 <sup>th</sup> August, 2020
2019-20	Reappointment of Mr. M F Farooqui (DIN: 01910054) as Independent Director for the second term of 5 years	8 <sup>th</sup> August, 2020

b. None of the subjects placed before the shareholders in the 26<sup>th</sup> Annual General Meeting requires approval by a Postal Ballot.

#### Means of communications:

The quarterly unaudited results of the Company have been published in English in Business Standard and the Tamil version in Makkal Kural.

The quarterly/annual financial results, shareholding pattern, official announcements etc., are sent to Stock Exchanges. The shareholders can access the same at [www.nseindia.com](http://www.nseindia.com) and at [www.bseindia.com](http://www.bseindia.com) and the Company's website at <https://www.tvse.in/investor-relations/>

The Company's website ([www.tvse.in](http://www.tvse.in)) contains a separate section "Investor Relations" where shareholders information, Annual Reports and other information is available. The press releases which are made after the board meetings of consideration of results are also displayed on the website of the Company. The Company has not made any presentations to institutional investors or analysts.

### (11) General shareholder Information:

#### a. Annual General Meeting –

Date : Saturday, 14<sup>th</sup> August 2021

Time : 10.00 a.m.

Venue : Not applicable as it will be held through Video Conferencing / Other Audio Visual Means. The procedure and other details for joining AGM through VC/OACM are mentioned in the Notes of the AGM notice.

#### b. Financial Year : 1<sup>st</sup> April to 31<sup>st</sup> March

#### c. Financial reporting for the quarter ending for financial year ending 31<sup>st</sup> March, 2022 (Tentative)

30 <sup>th</sup> June, 2021	On or Before 14 <sup>th</sup> August, 2021
30 <sup>th</sup> September, 2021	On or Before 14 <sup>th</sup> November, 2021
31 <sup>st</sup> December, 2021	On or Before 14 <sup>th</sup> February, 2022
31 <sup>st</sup> March, 2022	On or Before 30 <sup>th</sup> May, 2022
Annual General Meeting	Between June and September 2022

d. During the Financial Year 2020-2021 no Dividend is declared.

e. Record date for ascertaining shareholders eligible to cast their votes for the items set out in the notice convening the AGM through e-voting shall be 7<sup>th</sup> August, 2021.

#### f. Listing on Stock Exchanges:

The Company's Equity Shares are listed on the following Stock Exchanges:

Sl. No.	Name of the Stock Exchange	Stock Code
1	BSE Limited Floor 25, P. J. Towers, Dalal Street Mumbai 400 001	532513
2	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex Bandra (E), Mumbai 400 051	TVSELECT

## Report on Corporate Governance (Contd.)

Annual listing fees have been paid to the above Stock Exchanges, for the financial year 2021-22.

Corporate Identification Number (CIN) of the Company: L30007TN1995PLC03294.

### g. Market Price Data

Details of TVSE shares traded at NSE and BSE during the year ended 31st March 2021 are given below:

#### Details of shares traded at NSE:

S. No.	Month	Price (in ₹)				No of shares traded
		Open	High	Low	Closing	
1	April, 2020	55.50	85.40	52.70	75.15	8,45,642
2	May, 2020	72.50	74.70	66.10	70.85	2,94,336
3	June, 2020	71.10	122.90	70.50	100.85	20,18,563
4	July, 2020	103.45	103.45	87.00	87.340	3,25,735
5	August, 2020	87.40	117.80	85.00	100.90	16,33,590
6	September, 2020	101.10	104.95	84.15	92.25	5,58,584
7	October, 2020	94.35	105.45	90.00	90.85	8,37,692
8	November, 2020	92.40	109.30	89.30	101.80	14,06,902
9	December, 2020	102.00	154.95	101.10	127.35	67,15,694
10	January, 2021	129.60	137.90	109.00	114.70	5,56,102
11	February, 2021	116.7	174.4	112	174.4	31,93,481
12	March, 2021	183.1	192.25	125	127.8	21,12,183
<b>Total traded quantity during the financial year 2020-21</b>						<b>2,04,98,504</b>

#### Details of shares traded at BSE:

S. No.	Month	Price (in ₹)				No of shares traded
		Open	High	Low	Closing	
1	April, 2020	55.45	84.85	53.25	74.75	74,433
2	May, 2020	74.70	74.95	66.00	71.25	54,845
3	June, 2020	72.70	123.45	71.00	101.00	3,86,116
4	July, 2020	96.20	103.60	86.15	86.85	84,462
5	August, 2020	89.20	117.05	85.20	101.00	2,79,370

### i. Distribution of equity shareholding as on 31<sup>st</sup> March, 2021:

No. of shares held	No. of share		% of share		No. of shares held		% of share	
	Holders		Holders		Holding		Holding	
	As on 31-12-2020	As on 31-03-2021	As on 31-12-2020	As on 31-03-2021	As on 31-12-2020	As on 31-03-2021	As on 31-12-2020	As on 31-03-2021
Upto 50	18,660	19,268	48.20	48.97	4,26,711	4,35,058	2.25	2.33
51 to 100	9,647	9,696	24.92	24.64	9,06,958	9,08,234	4.85	4.87
101 to 500	8,182	8,192	21.14	20.82	21,09,264	21,03,113	11.21	11.28
501 to 1000	1360	1,326	3.51	3.37	10,73,846	10,50,715	5.79	5.63
1001 to 2000	497	491	1.28	1.25	7,43,578	7,34,724	4.10	3.94
2001 to 3000	157	161	0.41	0.41	4,00,511	4,08,992	2.10	2.19
3001 to 4000	48	52	0.12	0.13	1,74,690	1,85,782	1.18	1.00
4001 to 5000	48	58	0.12	0.15	2,25,535	2,71,001	0.99	1.45
5001 to 10000	76	66	0.20	0.17	5,32,024	4,69,494	2.86	2.52
10001 and above	38	39	0.10	0.10	1,20,57,201	1,20,83,205	2.86	64.79
<b>TOTAL</b>	<b>38,713</b>	<b>39,349</b>	<b>100.00</b>	<b>100.00</b>	<b>1,86,50,318</b>	<b>1,86,50,318</b>	<b>100.00</b>	<b>100.00</b>

S. No.	Month	Price (in ₹)				No of shares traded
		Open	High	Low	Closing	
6	September, 2020	101.10	105.70	86.95	91.60	85,716
7	October, 2020	94.00	105.55	90.10	91.05	1,59,221
8	November, 2020	91.05	108.00	87.20	101.90	1,91,467
9	December, 2020	102.15	155.50	101.60	128.00	8,63,382
10	January, 2021	125	136.85	109.05	113.65	1,46,909
11	February, 2021	117.65	174.35	110.2	174.35	5,07,083
12	March, 2021	183.05	192.2	124.00	128.5	4,00,886
<b>Total traded quantity during the financial year 2020-21</b>						<b>32,33,890</b>

The Company's share price performance in comparison to BSE Sensex based on share price as on 31<sup>st</sup> March.

Financial year	Percentage change in	
	Company's share price (%)	Sensex (%)
2020-21	140.68	68.01
2019-20	-72.10	-23.56
2018-19	-43.85	16.93

### h. Transfer System:

With a view to rendering prompt and efficient services to the investors, the Company has appointed M/s Integrated Registry Management Services Private Limited (Integrated) Reg.no. INR000000544 as Registrar and Share Transfer Agent and handed over the share registry work pertaining to the Company with effect from 17<sup>th</sup> March 2021. Earlier Share Registry works were handled by Sundaram - Clayton Limited.

#### **Integrated Registry Management Services Private Limited**

2<sup>nd</sup> Floor, Kences towers,  
No. 1 Ramakrishna Street,  
North Usman road,  
T Nagar, Chennai - 600017.  
Phone no: 044- 28140801/ 28140803  
Fax No: 044- 28142479  
Emailid: srirams@integratedindia.in

**j. Pattern of equity shareholding as on 31<sup>st</sup> March, 2021**

The detailed report on the shareholding pattern of the company as on 31<sup>st</sup> March 2021 is also available in the website of the Company <https://www.tvs-e.in/investor-relations/>

Sl. No.	Category	No. of Shareholders	No. of Shares	% to total paid up share capital
A	<b>Promoters and Promoter Group</b> Bodies Corporate	1	1,11,60,093	59.84
	<b>Total (A)</b>	<b>1</b>	<b>1,11,60,093</b>	<b>59.84</b>
B	<b>Public Shareholding</b>			
1.	<b>Institutions</b>			
i.	Mutual Funds	3	1600	0.01
ii.	Banks / Financial Institutions	2	1000	0.01
	<b>Total Institutions (B)</b>	<b>5</b>	<b>2,600</b>	<b>0.01</b>
2.	<b>Non- Institutions</b>			
i.	Bodies Corporate - Indian	173	245519	1.32
ii.	Individuals Shareholders holding (Both a) Upto ₹ 2 lakhs of Nominal Share Capital b) Excess of ₹ 2 lakhs of Nominal Share Capital)	38,439	67,52,194	36.21
3.	<b>Others</b>			
	a) Director or Director's Relatives	3	400	0
	b) IEPF	1	178100	0.95
	c) LLP	10	25848	0.14
	d) NRI	716	2,85,264	1.53
	e) Trusts	1	300	0
	<b>Total Non Institutions( B) (2) + (B)(3)</b>	<b>39,343</b>	<b>74,87,625</b>	<b>40.15</b>
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)+(B)(3)</b>	<b>39,348</b>	<b>74,90,225</b>	<b>40.16</b>
	<b>TOTAL (A)+(B)</b>	<b>39,349</b>	<b>1,86,50,318</b>	<b>100</b>

**k. Dematerialisation of Shares and Liquidity:**

The Company's shares are compulsorily traded in dematerialised form on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of Equity shares of the Company in dematerialised and physical form as on 31<sup>st</sup> March, 2021, is given below:

Mode of Holding	Percentage	No. of shareholders	No. of Shares
Demat	97.91	36,600	1,82,60,696
Physical	2.09	2,749	3,89,622
<b>Total</b>	<b>100.00</b>	<b>39,349</b>	<b>1,86,50,318</b>

- o Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE236G01019.
- o Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil

**l. Plant / Repair Factories locations: Uttarakhand**

No. E12, Selaqui Industrial Estate,  
Selaqui, Dehradun,  
Uttarakhand - 248 197

**Tumkur**

Panditanahalli, Hirehalli Post,  
Tumkur District, Karnataka - 572 168

**m. Address for Investor's Correspondence:**
**Integrated Registry Management Services Private Limited**

2<sup>nd</sup> Floor, Kences Towers,  
No. 1 Ramakrishna Street,  
North Usman road,  
T Nagar, Chennai - 600 017.  
Phone no: 044- 28140801/ 28140803  
Fax No: 044- 28142479  
Emailid: srirams@integratedindia.in

Designated e-mail address for investor services:  
[investorservices@tvs-e.in](mailto:investorservices@tvs-e.in)

Compliance Officer: Mr. K Santosh

E-Mail id: k.santosh@tvs-e.in

**n. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund:**

The Company is not having any unclaimed dividends which is due for remittance into IEPF.

**o. Transfer of Equity Shares respect of which dividend has not been paid or claimed for seven consecutive years or more:**

In terms of the provisions of section 124 (6) of the Companies Act, 2013 read along with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF. Further, pursuant to the new explanation inserted on 14th August, 2019, effective from 20th August, 2019 to the Rule 6 – (Manner of transfer of shares under sub-section 6 of section 124 to the Fund) of IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, it is clarified that all shares in respect of which dividend has been transferred to IEPF on or before the 7th September 2016, shall also be transferred by the Company to IEPF.

Based on the provisions of the Act, Rules and explanations, the Company dispatched notice through registered post to the respective shareholders to apply for the unclaimed dividends within three months from the date of the notice to avoid transfer of shares to IEPF. The said notice was also published in the newspapers (Business Standards – English and Makkal Kurral – Tamil) on 14<sup>th</sup> December, 2020

and subsequently filed the said newspaper publications with the stock exchanges. The said three months' time period was completed on 14<sup>th</sup> March, 2020 (Due Date). Due to the outbreak of Covid-19 and lockdowns imposed by respective state governments, the Company's Share Transfer Agent (STA) were not able to transfer the said shares to IEPF account in the month of March, 2020. Subsequently, in the month of June, 2020, the Company's STA has transferred 1,78,100 equity shares in respect of which the dividends remained unclaimed/paid as on the due date to the IEPF account. The statement containing the details of name, address, folio number, Demat Account number and number of shares in respect of which dividends are not claimed for seven consecutive years or more is made available in the Company's website viz., [www.tve-e.in](http://www.tve-e.in) for information and necessary action by the shareholders.

In case the concerned shareholders wish to claim the shares that has been transferred to the IEPF, a separate application has to be made to the IEPF Authority in Form IEPF – 5, as prescribed in Rule 7 of the Rules and the same is available at IEPF website ([www.iepf.gov.in](http://www.iepf.gov.in))

**p. Unclaimed Shares:**

In terms of the provisions of Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, the unclaimed share certificates are required to be dematerialized and transferred to "Unclaimed Suspense Account". As required under SEBI (LODR) Regulations, the Company sent reminder letters to the shareholders, whose share certificates were returned undelivered or unclaimed. The voting rights in respect of unclaimed shares held in Unclaimed Suspense Account stands frozen in terms of Regulation 39 read with Schedule VI of SEBI (LODR) Regulations, till the rightful owners of such shares claim them.

The Disclosures with respect to demat suspense account/ unclaimed suspense account is given below:

Details	No. of shareholders / No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	611 shareholders for 88,582 shares
Number of shareholders who approached the Company for transfer of shares from suspense account during the year;	NIL
Number of shareholders to whom shares were transferred from suspense account during the year;	NIL
Number of Shares transferred to IEPF account from suspense account during the year;	64182 Shares of 519 Shareholders had been transferred to IEPF account
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	92 Shareholders for 24,400 shares
Voting rights	The voting rights of such shares shall remain frozen till the rightful owner claims the shares

**q. Request to Investors**

Investors holding shares in physical mode are requested to communicate change of address, bank account details, dematerialisation request, etc., if any, directly to the Registered Office or the Share Transfer Agent (STA) of the Company.

- Investors holding shares in electronic form are requested to deal only with their Depository Participant (DP) in respect of change of address, bank account details, etc.
- Dematerialise your Physical Shares to Electronic Form and eliminate all risks associated with holding physical share certificates. It also provides ease in Portfolio Management. Further, in terms of SEBI notification dated 8<sup>th</sup> June 2018, the Company will not be in a position to entertain the request for registration of physical transfer of shares after 31<sup>st</sup> March, 2019.
- Green Initiative – Electronic copy of full Annual Report are being sent to all the members whose email IDs are registered with the Company / Depository Participants. Members are requested to support this initiative and register their e-mail ids promptly with DPs in case of electronic shares or with the STA, in case of physical shares. As per the circular of MCA and SEBI, the Company has sent the Annual Report for the financial year 2020-21 only through email to the shareholders who have registered their email id.
- Investors who have not availed nomination facility are requested to kindly fill in the nomination form and submit the same to the Company/Share Transfer Agent or the DP along with the requisite proof of nomination.

**(12) Other Disclosures:**

**Related Party transactions**

All transactions entered into with Related Parties as defined under Regulation 23 of SEBI (LODR) Regulations, 2015 and Companies Act, 2013 during the financial year were in the ordinary course of business and on an arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards has been made in the note 33 to the Financial Statements.

The Board has amended policy for related party transactions to make it in line with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the Company's website in the following web link <https://www.tvs-e.in/wp-content/finreports/policy/RELATED%20PARTY%20TRANSACTION.pdf>

The Board has obtained certificates/disclosures from key management personnel and senior management personnel confirming they do not have any material financial and commercial interest in transactions with the Company at large.

The Company has complied with Regulation 23 of SEBI (LODR) Regulations, 2015 and applicable provisions of Companies Act, 2013 with respect to related party transactions.

**Vigil and Whistle Blower mechanism**

The Company has formulated the Vigil and Whistle Blower Mechanism as required under the Companies Act, 2013 which is in line with Regulation 22 of SEBI (LODR) Regulations, 2015. The Company has appointed the Audit Committee Chairperson as the Ombudsman for the mechanism, under which employees can directly report to the ombudsman. It is affirmed that no personnel is denied access to the Audit Committee.

The Board amended the Policy to make it in line with the amended SEBI (LODR) Regulations, 2015 and the same is updated in the website of the Company [https://www.tvs-e.in/wp-content/finreports/policy/TVSE\\_Vigil\\_Blower\\_Mechanism.pdf](https://www.tvs-e.in/wp-content/finreports/policy/TVSE_Vigil_Blower_Mechanism.pdf) All the mandatory requirements specified under Regulation 22 of the SEBI (LODR) Regulations, 2015 have been complied with.

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013**

**Number of complaints received in the year:** Nil

**Number of complaints disposed off during the year:** NA

**Number of cases pending for more than 90 days:** Nil

**Number of Workshop or awareness Program:** One awareness program was conducted during the women's forum day and e-learning courses\* were launched by the Company.

**Nature of Action taken by the employer or District Officer:** Nil

\*e-Learning on POSH (Prevention of Sexual Harassment)- Mandatory Course was developed by Learning and development team of TVSE to educate and spread awareness to all the employees of TVSE.

**Corporate Governance requirement with respect to subsidiary**

The Company do not have any subsidiary Company as on 31<sup>st</sup> March, 2021.

Though the Company is not having any material subsidiary, the company has evolved a policy for determining 'material subsidiaries' and placed on the Company's website in the following web link [https://www.tvs-e.in/wp-content/finreports/policy/TVSE\\_MaterialSubsidiary.pdf](https://www.tvs-e.in/wp-content/finreports/policy/TVSE_MaterialSubsidiary.pdf)

Disclosure of commodity prices and commodity hedging activities is not applicable to the Company considering the nature of its business.

**Compliance Certificate from Practicing Company Secretary**

Certificate from M/s. S Krishnamurthy & Co., Practicing Company Secretaries, Chennai, on compliance with conditions of Corporate Governance under SEBI (LODR) Regulations, 2015 is forming part of this Annual Report.

**Secretarial Compliance Certificate from Secretarial Auditor**

Secretarial Audit Report given by V Suresh, FCS, Practising Company Secretary, Chennai, forms part of this Annual Report.

**Fees paid to Statutory Auditor on a consolidated basis:**

During the year, the Company has paid ₹ 23 Lakhs (including out of pocket and one-time additional fee) to the statutory Auditors for all services received by the listed entity.

**Employee Stock Options**

The information on Options granted by the Company under the Employees Stock Option Scheme and other particulars with regard to Employees' Stock Options are set out under Board's Report.

All the options under ESOP Scheme, 2011 are lapsed/exercised and there are no active options under the ESOP Scheme, 2011 as on the date of this report.

**MD / CFO certification**

The Managing Director and Chief Financial Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements of the Company as required under the SEBI (LODR) Regulations, 2015

**Disclosures**

There were no instances of imposition of penalties or strictures on the Company by Stock Exchanges or SEBI, or any statutory authority, on any matter related to capital markets, during the last three years.

**Familiarisation Program for Independent Directors**

Details of familiarization program imparted to the Independent directors are available in the Company's website: <https://www.tvs-e.in/wp-content/finreports/trading/Details-of-Familiarisation-Program-for-FY-2020-21.pdf>

**A chart or a matrix setting out the skills/ expertise/ competence of the Board of Directors specifying the following:**

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Skill	Description
Leadership/strategy	Experience of playing leadership roles in large businesses, with competencies around strategy development & implementation, sales & marketing, business administration/ operations and Organisations and people Management.
IT and ITeS Industry Experience	Strong knowledge and experience in IT and ITeS Industry and in managing business operations of a sizeable organization in the business of manufacture, sale and service of IT products.
Financial	Practical knowledge and experience in corporate Finance, accounting and reporting and internal financial control, including strong ability to asses financial impact of decision making and ensure profitable and sustainable growth.

## Report on Corporate Governance (Contd.)

Skill	Description
Governance	Board level experience in reputed organisations, with strong understanding of and experience in directing the management in the best interests of the Company and its stakeholders and in upholding high standards of governance.
Regulatory	Strong expertise and experience in corporate law and regulatory compliance in India (Including industry specific laws)

### The skills/ expertise/competence matrix of the Board of Directors with names are as follows;

Name of Director	Leadership/strategy	IT and ITeS Industry Experience	Financial	Governance	Regulatory
Mr. Gopal Srinivasan	✓	✓	✓	✓	✓
Mrs. Srilalitha Gopal	✓	✓	✓	✓	✓
Mr. D Sundaram *	✓	✓	✓	✓	✓
Mr. M Lakshminarayan	✓	✓	✓	✓	✓
Mr. M.F.Farooqui	✓	✓	✓	✓	✓
Mr. R S Raghavan	✓	✓	✓	✓	✓
Mr. K Balakrishnan	✓	✓	✓	✓	✓
Dr. V Sumantran	✓	✓	✓	✓	✓
Mrs. Subhasri Sriram	✓	✓	✓	✓	✓

\*Mr. D Sundaram Non Executive Non Independent Director retired by rotation with effect from 8<sup>th</sup> August 2020.

### Disclosure of all list of credit ratings obtained:

The listed entity has not issued any debt instruments, does not have fixed deposit programme or any scheme or proposal involving mobilization of funds. Hence this is not applicable.

### Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations and this

report. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

### Instances of Non compliance , if any:

There was no instances of non-compliance by the company.

### Other corporate governance requirements:

The listed entity may, at its discretion, comply with requirements as specified in Part E of Schedule II.

### The Board:

The Board has a Non-Executive Chairman who functions from his own office.

### Shareholder's rights

The quarterly, half yearly and annual financial results of the Company are published in leading newspapers and are also posted on the Company's website.

### Auditors Report

The Auditors report is unqualified.

### Separate posts of Chairman and CEO/ Managing Director.

The Company has appointed separate persons to the post of Chairman and Chief Executive Officer/ Managing Director.

The separation of powers of the chairman and MD would enable better and more balanced governance structure by enabling more effective supervision of the management.

### Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.



**Declaration from Managing Director regarding the adherence to the Code of Business  
Conduct and Ethics by the Board of Directors and Senior Management**

To  
The Shareholders of  
TVS Electronics Limited  
249-A, Ambujammal Street,  
Off TTK Road, Alwarpet,  
Chennai-600018

On the basis of the written declaration received from Members of the Board and Senior Management Personnel in terms of the relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that the Members of the Board of Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics of the Company during the year ended March 31, 2021.

Place: Chennai  
Date: 22<sup>nd</sup> May, 2021

SRILALITHA GOPAL  
Managing Director  
DIN: 02329790

## Auditors Certificate

### Certificate regarding compliance of conditions of corporate governance

[Pursuant to paragraph E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of **TVS Electronics Limited**

(CIN: L30007TN1995PLC032941)

249-A, Ambujammal Street,

Alwarpet

Chennai – 600018

We have examined the compliance of the conditions of Corporate Governance by M/s. **TVS Electronics Limited** (“the Company”/ “the listed entity”) during the **financial year ended 31st March 2021** (“the financial year”/ “the year”), as stipulated under Regulation numbers 17 to 27, 46(2)(b) to (i), Schedule V (paragraphs C, D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The Company is required to comply with the said conditions of Corporate Governance set out in LODR on account of the Listing Agreements it has entered into with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) for listing its equity shares.

The Company’s management is responsible for compliance with the conditions of Corporate Governance.

We have broadly reviewed the procedures adopted by the Company for ensuring compliance with the conditions of Corporate Governance and implementation thereof. Our review was neither an audit nor an expression of opinion on the financial statement of the Company.

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification (through e-mail on account of the lockdown imposed by the Government of India/ State Government) and the explanations given to us by the Company, its Secretary, officers and agents, the Company has, during the financial year ended 31st March 2021, generally complied with the conditions of Corporate Governance referred to above.

We further wish to state that our opinion regarding such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company during the said financial year.

**For S Krishnamurthy & Co.**

Company Secretaries

(Peer Review Certificate No.739/2020)

**K. Sriram**

Partner

Membership No: F6312

Certificate of Practice No: 2215

UDIN: F006312C000357520

Date: 22<sup>nd</sup> May, 2021

Place: Chennai



## Auditors Certificate (Contd.)

V Suresh Associates  
PCS • Insolvency Professional • Regd. Valuer of Financial Assets

Phone : 044 – 4211 1701  
E-mail: vsureshpcs@gmail.com

No.28, 1<sup>st</sup> Floor, Ganapathy Colony, III<sup>rd</sup> Street, Teynampet, Chennai - 600 018.

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS** (pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
TVS Electronics Limited  
249-A, Ambujammal Street,  
Off TTK Road  
Alwarpet,  
Chennai – 600 018.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of TVS Electronics Limited having CIN: L30007TN1995PLC032941 and having registered office at 249-A, Ambujammal Street, Off TTK Road, Alwarpet, Chennai – 600018 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Gopal Srinivasan	00177699	18.07.2003
2	Ms. Srilalitha Gopal	02329790	10.11.2011
3	Mr. Muthuswami Lakshminarayan	00064750	06.05.2015
4	Mr. Farooqui Fayazuddin Mohammed	01910054	06.05.2015
5	Mr. Rajagopalan Sundara Raghavan	00260912	04.05.2016
6	Mr. Venkataramani Sumantran	02153989	09.08.2018
7	Mr. Balakrishnan Kavikkal	00722447	09.08.2018
8	Ms. Subhasri Sriram	01998599	07.02.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For V Suresh Associates  
Practising Company Secretaries

V Suresh  
Senior Partner  
FCS No. 2969  
C.P.No. 6032

Place: Chennai  
Date: 21.05.2021

Peer Review Cert. No. : 667/2020  
UDIN: F002969C000352890

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# Financial Statements

## 2020 - 21

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To The Members of  
TVS Electronics Limited

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of TVS Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive incomes, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We invite attention to Note 38 to the financial statements, regarding outbreak of COVID-19 pandemic and the assessment made by the management on its business, financial statements inter alia recoverability of assets including valuation of intangible assets. This assessment and the outcome of the pandemic is as made by the management and is highly dependent on the circumstances as they evolve in the subsequent periods

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Impairment assessment of indefinite useful life intangible assets</b></p> <p>Intangible assets pertains to Business Right that have been recognized pursuant to the acquisition of business of Customer Support Services in the past. Management conducts annual impairment tests to assess the recoverability of the carrying value of the indefinite useful life asset. This is performed using discounted cash flow model. There are key unobservable inputs used in the model which include:</p> <ul style="list-style-type: none"> <li>&gt;&gt; Revenue growth</li> <li>&gt;&gt; Operating margins</li> <li>&gt;&gt; Discount rate</li> <li>&gt;&gt; Terminal growth rate</li> </ul> <p>Accordingly, the impairment test of this business right is considered as a key audit matter.</p> <p><b>Refer to Notes 1.b.7 and 4.1 to the financial statements</b></p>	<p><b>Principal Audit Procedures</b></p> <p>We assessed the company's impairment testing process of the Customer Support Services at the balance sheet date. Our audit approach consisted procedures for testing the design, implementation and the operative effectiveness of the internal controls and substantive procedures as follows:</p> <ul style="list-style-type: none"> <li>• valued the design and implementation of internal controls relating to management's impairment assessment testing of the Customer Support Services business</li> <li>• Tested the operative effectiveness of internal control relating to managements impairment assessment testing of the Customer Support Services business with a combination of procedures involving inquiry, inspection and observation.</li> <li>• Performed substantive procedures to analyse the future projected cash flows used in the valuation model to determine whether they are reasonable and supportable given the current macroeconomic climate and expected future performance of the Cash Generating Unit.</li> <li>• Evaluated the reasonableness of customer wise revenue projections with reference to prospective business orders, historical performance and macro-economic conditions.</li> <li>• Evaluated the reasonableness of the projected Earnings before interest, tax, depreciation and amortisation (EBITDA) considering the projections and comparing with historical performance and contribution margin projected for new business.</li> </ul> <p>We engaged our internal specialists to assist with:</p> <ul style="list-style-type: none"> <li>• Critically evaluating whether the model used by management to calculate the value in use of the Cash Generating Units complies with the requirements of Ind AS 36 Impairment of Assets.</li> <li>• Validating the assumptions used to calculate the discount rates, terminal growth rate and recalculating these rates based on industry specific risks and risk free return.</li> </ul>

## Independent Auditor's Report (Contd.)

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors Report along with the annexures, Corporate Social Responsibility Report and Corporate Governance Report (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Chairman's statement, the Managing Directors Message, the Management Discussion and Analysis Report which is expected to be made available to us after that date.

- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.
- When we read the Chairman's statement, the Managing Directors Message, the Management Discussion and Analysis Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### 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 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 Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

## Independent Auditor's Report (Contd.)

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
  - h. 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)

Geetha Suryanarayanan  
(Partner)  
(Membership No. 29519)  
(UDIN: 21029519AAAACN5335)

Place: Chennai  
Date: 22 May 2021

## Annexure “A” to the Independent Auditor’s Report

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

### Report on the Internal Financial Controls Over Financial Reporting 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 Electronics Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

#### Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company 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”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, 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, 2021, based on “the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India”.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm’s Registration No.008072S)

**Geetha Suryanarayanan**  
Partner

(Membership No. 29519)  
(UDIN: 21029519AAAACN5335)

Place: Chennai  
Date: 22 May 2021

## Annexure “B” to the Independent Auditor’s Report

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

- (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.
  - (a) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - (b) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed (state any other relevant document which evidences title) provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as property, plant and equipment assets in the financial statements, the lease agreements are in the name of the Company
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of machinery and mechanical appliances. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
  - (c) Details of dues of Income-tax, Excise Duty and sales tax/value added tax which have not been deposited as on March 31, 2021 on account of disputes are given below.

Name of Statute	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount Unpaid (₹ In Lakhs)
Income Tax Act, 1961	Income tax dues	Income Tax Appellate Tribunal / CIT (Appeals), Income Tax officer	Assessment year 2005-06	41
Central Sales Tax/Value added tax of various states	Sales tax dues	Appellate authorities of various states	2007-08 to 2015-16	4 (Net of ₹ 9 deposited)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.

## Annexure “B” to the Independent Auditor’s Report

- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells**  
**Chartered Accountants**  
(Firm’s Registration No.008072S)

**Geetha Suryanarayanan**  
Partner

(Membership No. 29519)  
(UDIN: 21029519AAAACN5335)

Place: Chennai  
Date: 22 May 2021



## Balance Sheet as at March 31, 2021

₹ in Lakhs

S. No.	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>A ASSETS</b>				
<b>Non-Current Assets</b>				
(a)	Property, plant and equipment	2	783	997
(b)	Right to use assets	3	628	1,167
(c)	Intangible Assets	4	1,527	1,561
(d)	Intangible assets under development	4	273	111
(e)	Financial Assets			
(i)	Investments			
a)	Other Investments	5	110	96
(ii)	Other financial assets	6	137	163
(f)	Deferred tax assets (Net)	7	26	-
(g)	Non Current tax assets (Net)	13	231	247
(h)	Other Non current assets	8	2,646	2,593
<b>Total non-current assets</b>			<b>6,361</b>	<b>6,935</b>
<b>Current Assets</b>				
(a)	Inventories	9	3,696	3,067
(b)	Financial Assets			
(i)	Other Investments	5	1,594	19
(ii)	Trade Receivables	10	2,767	4,254
(iii)	Cash and Cash Equivalents	11	808	1,384
(iv)	Bank balances other than (iii) above	12	51	21
(v)	Other Financial assets	6	894	858
(c)	Other Current Assets	8	804	1,291
<b>Total Current Assets</b>			<b>10,614</b>	<b>10,894</b>
<b>TOTAL ASSETS</b>			<b>16,975</b>	<b>17,829</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a)	Equity Share Capital	14	1,865	1,865
(b)	Other Equity	15	6,314	6,197
<b>Total equity</b>			<b>8,179</b>	<b>8,062</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
(a)	Financial Liabilities			
(i)	Lease Liabilities	20	352	598
(b)	Provisions	16	130	137
(c)	Deferred tax liabilities (Net)	7	-	2
(d)	Other non-current liabilities	17	13	32
<b>Total non-current liabilities</b>			<b>495</b>	<b>769</b>
<b>Current Liabilities</b>				
(a)	Financial Liabilities			
i.	Borrowings	18	-	1,443
ii.	Trade Payables	19		
	- Total outstanding dues of micro enterprises and small enterprises		328	45
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		5,702	5,267
iii.	Lease Liabilities	20	315	598
iv.	Other financial Liabilities	20	719	531
(b)	Provisions	16	647	727
(c)	Other Current Liabilities	17	590	387
<b>Total current liabilities</b>			<b>8,301</b>	<b>8,998</b>
<b>Total Liabilities</b>			<b>8,796</b>	<b>9,767</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>16,975</b>	<b>17,829</b>

The accompanying notes are an integral part of these financial statements

In terms of our report attached

**For Deloitte Haskins & Sells**

Chartered Accountants

**GEETHA SURYANARAYANAN**

Partner

Place: Chennai

Date: May 22, 2021

**For and on behalf of the Board of Directors**

**GOPAL SRINIVASAN**

(DIN : 00177699)

Chairman

**SANTOSH KRISHNADASS**

Company Secretary

**SRILALITHA GOPAL**

(DIN : 02329790)

Managing Director

**A KULANDAI VADIVELU**

Chief Financial Officer

**Statement of Profit and Loss for the period ended March 31 , 2021**

₹ in Lakhs

S. No.	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenues from Operations	21	22,460	25,872
II	Other Income	22	206	533
III	Total Income (I+II)		22,666	26,405
IV	Expenses:			
	Cost of materials consumed	23	5,965	6,963
	Purchases of Stock-in-Trade	24	5,333	5,616
	Changes in Inventories of finished goods and stock in trade	25	(200)	(166)
	Employee benefits expense	26	3,071	3,815
	Finance costs	27	190	236
	Depreciation and amortisation expense	28	777	1,040
	Other expenses	29	7,436	8,553
	Total Expenses (IV)		22,572	26,057
V	Profit before tax & Exceptional Items (III-IV)		94	348
VI	Exceptional Items (Refer note 4.1)		-	(350)
VII	Profit before tax (V+VI)		94	(2)
VIII	Tax Expense:			
	(1) Current Tax	34	43	136
	(2) Deferred Tax	7	(26)	(177)
	(3) Tax relating to earlier years	34		-
			17	(41)
IX	Profit for the year (VII-VIII)		77	39
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		25	(36)
	b) Equity instruments through other comprehensive income		13	39
			38	3
	ii) Income tax relating to items that will not be reclassified to profit or loss		2	(9)
X	Total other comprehensive income (A(i-ii))		40	(6)
XI	Total Comprehensive Income (IX+X)		117	33
XII	Paid-up equity share capital (Face Value of Rs.10/- each)		1,865	1,865
XIII	Earnings Per Equity Share (Nominal value per share Rs. 10)			
	(a) Basic	30	0.41	0.21
	(b) Diluted	30	0.41	0.21

The accompanying notes are an integral part of these financial statements

In terms of our report attached  
**For Deloitte Haskins & Sells**  
 Chartered Accountants  
**GEETHA SURYANARAYANAN**  
 Partner  
 Place: Chennai  
 Date: May 22, 2021

**For and on behalf of the Board of Directors**

**GOPAL SRINIVASAN**  
 (DIN : 00177699)  
 Chairman  
**SANTOSH KRISHNADASS**  
 Company Secretary

**SRILALITHA GOPAL**  
 (DIN : 02329790)  
 Managing Director  
**A KULANDAI VADIVELU**  
 Chief Financial Officer

**Statement of Cash Flows for the year ended March 31, 2021**

₹ in Lakhs

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) after tax	77	39
<b>Adjustments for :</b>		
Depreciation and Amortisation	777	1,040
Tax provisions	17	(41)
Finance costs	190	236
Provision for impairment on carrying value of intangibles	-	350
(Profit) on sale of Property, Plant and equipment	(7)	(3)
Net (Gain)/loss arising on FVTPL Transaction	(28)	(51)
Gain on derecognition of lease	(39)	-
Profit on sale of Investment	-	(32)
Interest Income	(47)	(265)
Lease liabilities no longer required written back	-	(5)
Other Liabilities no longer required written back	(32)	(69)
Loss on Property, Plant & Equipment sold / scrapped	80	38
Bad debts written off and provision for doubtful debts	266	111
	<b>1,177</b>	<b>1,309</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>1,254</b>	<b>1,348</b>
<b>Changes in working capital</b>		
Adjustments for (increase) / decrease in operating assets		
Trade and other receivables	1,300	(1,802)
Inventories	(629)	94
Other Assets	434	(304)
Other Financial Assets	(27)	242
Adjustments for increase / (decrease) in operating liabilities		
Trade payables	750	(407)
Other Liabilities	109	(54)
Other Financial Liabilities	188	38
	<b>2,125</b>	<b>(2,193)</b>
Cash used in operations	<b>3,379</b>	<b>(845)</b>
Direct taxes paid / refund received - (net)	<b>5</b>	<b>255</b>
<b>Net cash flow (used in) / generated from operating activities</b>	<b>3,384</b>	<b>(590)</b>

**Statement of Cash Flows for the year ended March 31, 2021 (Contd.)**

₹ in Lakhs

	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>B. Cash flow from investing activities</b>		
Purchase of Property, plant and equipment & intangibles including capital advances	(349)	(383)
Proceeds from sale of Property, plant and equipment	36	10
Bank balances considered as other than cash and cash equivalents	(30)	491
Purchase of other investments	(1,565)	1,519
Interest received	47	71
<b>Net cash flow (used in) / generated from investing activities</b>	<b>(1,861)</b>	<b>1,708</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from issue of equity shares	-	4
Payment of lease liability	(466)	(596)
Proceeds from Short term borrowings	-	1,443
Repayment of Short term borrowings	(1,443)	-
Finance costs	(190)	(236)
Dividends paid Including Dividend Tax	-	(665)
<b>Net cash flow (used in) financing activities</b>	<b>(2,099)</b>	<b>(50)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(576)</b>	<b>1,068</b>
<b>Reconciliation</b>		
Cash and cash equivalents as at beginning of the Year	1,384	317
Cash and cash equivalents as at end of the Year	<b>808</b>	<b>1,384</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(576)</b>	<b>1,068</b>
The accompanying notes are an integral part of these financial statements		

In terms of our report attached  
**For Deloitte Haskins & Sells**  
 Chartered Accountants

**GEETHA SURYANARAYANAN**  
 Partner

Place: Chennai  
 Date: May 22, 2021

**For and on behalf of the Board of Directors**

**GOPAL SRINIVASAN**  
 (DIN : 00177699)  
 Chairman

**SANTOSH KRISHNADASS**  
 Company Secretary

**SRILALITHA GOPAL**  
 (DIN : 02329790)  
 Managing Director

**A KULANDAI VADIVELU**  
 Chief Financial Officer

**Statement of Changes in Equity for the period ended March 31, 2021**

₹ in Lakhs

Particulars	Share Capital	Securities premium	Capital Reserve	Reserves and Surplus			Items of other comprehensive income	
				General reserve	ESOP Reserve	Retained earnings (Refer Note)	Equity Instruments through Other comprehensive Income	Total
<b>Balance at April 01, 2019</b>	1,861	1,492	61	405	33	4,848	(2)	8,698
<b><u>Movement during 2019-20</u></b>								-
Profit for the year	-	-	-	-	-	39	-	39
Adjustment during the year (Refer note 15)	-	-	-	-	-	-	-	-
Share capital	4	-	-	-	-	-	-	4
Recognition of share based payments	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(36)	30	(6)
Movement within reserves (Refer note 15)	-	33	-	-	(33)	-	-	-
Payment of dividends (Including taxes)	-	-	-	-	-	(673)	-	(673)
<b>Balance at March 31, 2020</b>	1,865	1,525	61	405	0	4,178	28	8,062
<b><u>Movement during 2020-21</u></b>								
Profit for the year	-	-	-	-	-	77	-	77
Other comprehensive income for the year, net of income tax	-	-	-	-	-	30	10	40
<b>Balance at March 31, 2021</b>	1,865	1,525	61	405	-	4,285	38	8,179

The accompanying notes are an integral part of these financial statements

**Note:** In accordance with the notification issued by Ministry of Corporate Affairs dated 24th March 2021, re-measurement of defined benefit plan shall be recognised as a part of retained earnings. Accordingly, re-measurement of defined benefit plan has been disclosed as part of retained earnings.

In terms of our report attached  
**For Deloitte Haskins & Sells**  
 Chartered Accountants

**GEETHA SURYANARAYANAN**  
 Partner

Place: Chennai  
 Date: May 22, 2021

**For and on behalf of the Board of Directors**

**GOPAL SRINIVASAN**  
 (DIN : 00177699)  
 Chairman

**SANTOSH KRISHNADASS**  
 Company Secretary

**SRILALITHA GOPAL**  
 (DIN : 02329790)  
 Managing Director

**A KULANDAI VADIVELU**  
 Chief Financial Officer

## 1. NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### a) Brief description of the Company

TVS Electronics Limited ('the Company') is a public limited company incorporated and domiciled in India whose shares are publicly traded. The registered office is located at No.249A, Ambujammal Street, Off TTK Road, Alwarpet, Chennai - 600 020.

The Company manufactures and sells Point of sale devices, Printers, Keyboards, etc. besides providing service for various Original Equipment Manufacturers via delivery models like exclusive service centers, multi brand service centers, Onsite support, repair centers and factories. The company is also into 'Distribution Services' through brick and mortar model.

### b) SIGNIFICANT ACCOUNTING POLICIES

#### 1) Statement of compliance

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015. The Ind AS are prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 and relevant amendments and rules issued thereafter.

#### 2) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

#### 3) Critical accounting judgements and key sources of estimation and certainty

##### a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, future results could differ from these estimates and the differences between actual results and estimates are recognised in the period in which results are known / materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revision to accounting estimates is recognised prospectively in the current and future period.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

##### b) Significant Estimates and judgements

The areas involving critical estimates or judgments are:

###### i) Fair valuation measurement & valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are

not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

ii) Actuarial Valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

iii) Useful life of Property, Plant and Equipment & Intangible assets

As described in the significant accounting policies, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

iv) Revenue Recognition

- The Company's contracts with customers could include promises to render multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves Judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.
- Judgement is also applied to determine the principal and agent in the contracts with customers based on the substance of the arrangement read with the guidance provided in the standard.
- The Company uses judgement to determine standalone selling price of a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.
- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

**4) Revenue Recognition**

The Company has applied Ind AS 115 from April 01, 2018, being the effective date of the standard. The Company earns revenue primarily from sale of electronic goods, computer consumable and other support services.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, allowances and rebates and goods and services tax.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

*In- Warranty Service*

In respect of In-warranty service contracts, where performance obligation is satisfied at a point of time when the service is extended to the customer on behalf of the brand, revenue is recognised net of payments made to the brand after considering the rights and obligation of both the company and the brand in specific to these contracts.

*Out of Warranty Service*

In respect of Out of warranty service contracts, where performance obligation is satisfied at a point of time when the control of the goods sold is passed on to the customer and the service is received by the customer as per the terms and conditions stipulated by the brand, revenue is recognised net of payments made to the brand after considering the rights and obligation of both the company and the brand in specific to these contracts.

*Service Contracts*

In respect of service contracts, where performance obligation is satisfied over the period of time when the the service is received by the customer as per the terms and conditions stipulated by the brand, transaction price which is the amount charged to customer is recognised on a time proportion basis over the period of time when the customer receives and accpets the service.

*Sale of Goods*

In respect of Sale of goods, where performance obligation is satisfied at a point of time when the control of the goods sold is passed on to the customer, revenue is recognised for the transaction price which is the invoice value charged to the customer.

## Notes forming part of the Financial Statements (Contd.)

### *Sale of Goods- Institutions*

In respect of contracts with institutional customer where goods are sold with additional warranty period, performance obligation is satisfied at a point of time when the control of the goods sold is passed on to the customer for sale of goods and for the extended warranty service performance obligation is satisfied over the period of time when that particular service is received by the customer.

Both sale of goods and extended warranty service qualify to be separate performance obligation within the definition of the standard and the transaction price is allocated between the performance obligations proportionate to the standalone selling prices of the components.

In respect of sale of goods, revenue is recognised at the point in time when the control is transferred for the value allocated and in respect of extended warranty service revenue is recognised on a time proportion basis over the period of time when the customer receives and accepts the service.

### *Extended Warranty Service*

In respect of extended warranty service contracts, where performance obligation is satisfied over the period of time at the transaction price which is the amount charged to customer is recognised on a time proportion basis over the period of time when the customer receives and accepts the service.

### **Practical expedient - Contract modification**

The Company has applied practical expedient with respect to contract modification and accordingly has not given the impact of the modifications to the contracts that occurred before the date of initial application of Ind AS 115 (i.e., before April 1, 2018). The impact of applying this practical expedient is insignificant.

## **5) Property, Plant and Equipment**

Land and building held for use in the production or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Free hold land is not depreciated.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The estimate useful life adopted by the company are as follows:

<b>Asset</b>	<b>Useful life</b>
Building	1 to 30 Years
Plant & Machinery	1 to 15 Years
Furniture & Fittings	1 to 10 Years
Office Equipments (including computers & servers)	1 to 6 Years
Vehicles	1 to 10 Years
Leasehold improvements	over primary period of lease

Capital work-in-progress: Projects under which plant, property and equipment are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

## **6) Intangible assets**

### **a. Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

b. Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

c. Useful lives of intangible assets

Estimated useful lives of the intangible assets are as follows:

Intangible asset	Useful life
Computer softwares	2 years
Business Rights	Indefinite

**7) Impairment of Tangible and Intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is compared with the revised estimate of its recoverable amount. A reversal of an impairment loss shall be recognised once such increase in recoverable amount is assessed as permanent.

**8) Inventories**

Inventories are stated at lower of cost or net realisable value. The cost is calculated on weighted average method. Cost comprises expenditure incurred in normal course of business in bringing such inventory to its present location and condition and includes where applicable, appropriate overheads based on the normal level of activity.

Net realisable value is the estimated selling price less estimated cost for completion of sale.

Obsolete, slow moving and defective inventories are identified from time to time and where necessary, a provision is made for such inventories.

**9) Employee benefits**

**(i) Short term Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**(ii) Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

## Notes forming part of the Financial Statements (Contd.)

Defined benefit costs are categorized as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Remeasurement

The company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Gratuity for employees is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the Statement of Profit and Loss. The liability as at the Balance Sheet date is provided for based on the actuarial valuation carried out as at the end of the year.

### 10) Taxes on income

Tax expense comprises of current and deferred taxes.

Current tax:

The current tax payable is based on the taxable profit for the year. Taxable profit differs from Profit before tax as reported in the statement of profit and loss account because of items of income or expenditure that are taxable or deductible in other years and items that are never taxable or deductible. Company computes current tax using tax rate that have been enacted by the end of the reporting period.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year:

Current and deferred tax are recognised in profit or loss account, except when they relate to items that are recognised in other comprehensive income or directly in equity respectively

**11) Provisions and contingent liabilities****(i) Provision:**

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

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is present value of those cash flows (when the effect of time value of money is material)

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Provision for expected cost of warranty obligations under the local sale of goods legislation are recognised at the date of sale of relevant products, at management's best estimate of expenditure required to settle the company's obligation.

**(ii) Contingent liabilities:**

Wherever there is a 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.

**12) Operating Segment**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Corporate Management Committee.

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

"Other unallocable Income / Expense" include revenue and expenses that relate to initiatives/costs attributable to the enterprise as a whole and are not attributable to segments.

**13) Leases**

The leases are recognized as a right-of-use asset with a corresponding lease liability at the date on which the leased asset is available for use by the Company as a lessee except for payments associated with short term leases (lease term of 12 months or less) and low value leases, which are recognized as an expense as and when incurred.

The Company assesses whether a contract contains a lease at the inception of a contract. Certain lease contracts include the options to extend or terminate the lease before the end of the lease term. Right-of-Use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The Right-of-Use assets are initially recognized at cost comprising initial lease liability adjusted for lease payments made on or before the commencement date less any lease incentives received and any initial direct cost. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related Right-of-Use assets if the Company changes its assessment as to whether it will exercise an extension or a termination option.

Right-of-Use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset

Right-of use assets and lease liability have been separately presented in the balance sheet and lease payments have been classified as financing cash flow in the cash flow statement.

**14) Share-based payment arrangements**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

## Notes forming part of the Financial Statements (Contd.)

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Under the previous GAAP, share based payment costs were accrued on an intrinsic value method. Upon transition to Ind AS, the company had availed the exemption to apply the fair value to only unvested options.

### 15) Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### 15.1 Financial assets

##### Initial recognition and measurement:

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis.

##### Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

##### a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in subsidiaries / associates are accounted at cost.

All other financial assets are subsequently measured at fair value.

For the impairment policy on financial assets measured at amortized cost, refer Note 1(b)(15)(d)

##### b. Investment in equity instruments at FVTOCI

On initial recognition, company can make an irrevocable election (on a instrument by instrument basis) to present the subsequent change in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity instrument is held for trading. These elected investment are initially measured at fair value plus transaction cost. Subsequently, they are measured at fair value with gains and losses arising from change in fair value recognised in other comprehensive income and accumulated in 'Reserve for equity instruments through other comprehensive income'. The cumulative gain / (loss) is not reclassified to profit or loss on disposal of investment.

A financial asset is held for trading if :

- > it has been acquired principally for the purpose of selling it in near term; or
- > on initial recognition it is part of portfolio of identified financial instrument that the company manages together and has recent actual pattern of short term profit making or
- > it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The company has equity investments in one entity which are not held for trading nor a subsidiary. The company has elected FVTOCI irrevocable option for this investments. Fair value is determined in the manner described in note 1(b)(2).

Dividends on these investment in equity instrument, if any will be recognised in profit or loss when the company's right to receive the dividend is established, it is probable that economic benefit associated with the dividend will flow to the entity, the dividend does not represent a recover of part of cost of investment and the amount of dividend can be measured reliably.

**c. Financial assets at fair value through profit or loss (FVTPL)**

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item.

**d. Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

**e. Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**f. Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

>> For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

**15.2 Financial liabilities and equity instruments**

**a. Classification as debt or equity**

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**b. Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**c. Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**c.1. Financial liabilities at FVTPL**

Financial liabilities are recognised at fair value through profit or loss (FVTPL) if it includes derivative liabilities.

## Notes forming part of the Financial Statements (Contd.)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Fair value is determined in the manner described in note 1(b)(2)

### **c.2. Financial liabilities measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

### **c.3. Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### **c.4. Derecognition of financial liabilities**

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

## **15.3 Derivative financial instruments**

The Company enters into forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

## **16) Foreign Currency Transactions**

The functional and presentation currency of the company is Indian Rupee.

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

## **17) Operating cycle for current and non-current classification**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## **18) Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

**Note 2 : Property, Plant and Equipment and Capital Work-in-progress**

(₹ Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Freehold land	24	24
Buildings	289	378
Plant and equipment	237	289
Furniture and Fixtures	61	114
Office Equipments	136	166
Vehicles	36	26
<b>Total</b>	<b>783</b>	<b>997</b>

	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments (Including computers & servers)	Vehicles	Total
<b>Cost of Assets</b>							
Gross carrying value at April 01, 2019	24	1,053	1,895	347	1,073	38	4,430
Additions	-	114	48	49	30	-	241
Disposals	-	(75)	(42)	(12)	(34)	-	(163)
<b>Balance at March 31, 2020</b>	<b>24</b>	<b>1,092</b>	<b>1,901</b>	<b>384</b>	<b>1,069</b>	<b>38</b>	<b>4,508</b>
Additions	-	32	49	7	81	17	186
Disposals	-	(93)	(55)	(73)	(138)	-	(359)
<b>Balance at March 31, 2021</b>	<b>24</b>	<b>1,031</b>	<b>1,895</b>	<b>318</b>	<b>1,012</b>	<b>55</b>	<b>4,335</b>
	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments (Including computers & servers)	Vehicles	Total
<b>Accumulated depreciation and impairment</b>							
Gross carrying value at April 01, 2019	-	695	1,545	233	841	8	3,322
Eliminated on disposals	-	(52)	(27)	(8)	(32)	-	(118)
Depreciation expense	-	61	93	41	90	4	289
<b>Other adjustments</b>		<b>9</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>19</b>
<b>Balance at March 31, 2020</b>	<b>-</b>	<b>714</b>	<b>1,613</b>	<b>271</b>	<b>902</b>	<b>12</b>	<b>3,512</b>
Eliminated on disposals	-	(40)	(38)	(49)	(109)	-	(236)
Depreciation expense	-	59	81	30	80	7	257
<b>Other adjustments</b>		<b>9</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>-</b>	<b>19</b>
<b>Balance at March 31, 2021</b>	<b>-</b>	<b>742</b>	<b>1,658</b>	<b>257</b>	<b>876</b>	<b>19</b>	<b>3,552</b>
Carrying amount as on March 31, 2020	24	378	289	114	166	26	997
Carrying amount as on March 31, 2021	24	289	237	61	136	36	783

**Notes forming part of the Financial Statements (Contd.)**
**Note 3 : Right of Use Assets**

(₹ Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Right of Use Assets	628	1,167
	<b>628</b>	<b>1,167</b>
<b>Gross Carrying Amount</b>		
	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	1,872	-
Additions	336	2,083
Disposals	(388)	(211)
<b>Balance at end of year</b>	<b>1,820</b>	<b>1,872</b>
<b>Accumulated depreciation and impairment</b>		
	As at March 31, 2021	As at March 31, 2020
Balance at beginning of year	705	-
Eliminated on disposals	-	-
Amortization expense	487	705
<b>Balance at end of year</b>	<b>1,192</b>	<b>705</b>
<b>Carrying amount at the beginning of year</b>	<b>1,167</b>	
<b>Carrying amount at end of year</b>	<b>628</b>	<b>1,167</b>

**Note 4 : Intangible Assets**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Carrying amounts of:</b>		
Business Rights	1,518	1,518
Software and Licenses	9	43
Intangible assets under development	273	111
<b>Total</b>	<b>1,800</b>	<b>1,672</b>

Notes forming part of the Financial Statements (Contd.)

**Note 4 : Intangible Assets (Contd.)**

(₹ Lakhs)

**Cost of Asset**

Particulars	Business Rights (Refer note 1)	Software and Licences
Gross value as on April 01, 2019	3,263	303
Additions	-	33
Disposals	-	-
Gross value as on March 31, 2020	3,263	336
Additions	-	-
Disposals	-	(4)
<b>Balance at March 31, 2021</b>	<b>3,263</b>	<b>332</b>

**Accumulated depreciation and impairment**

Particulars	Business Rights	Software and Licences
Balance at April 01, 2019	1,395	248
Eliminated on disposals	-	-
Impairment recognised (refer note below)	350	-
Depreciation expense	-	45
Balance at March 31, 2020	1,745	293
Eliminated on disposals	-	(3)
Depreciation expense	-	33
<b>Balance at March 31, 2021</b>	<b>1,745</b>	<b>323</b>
<b>Carrying amount as on March 31, 2020</b>	<b>1,518</b>	<b>43</b>
<b>Carrying amount as on March 31, 2021</b>	<b>1,518</b>	<b>9</b>

Note:

- 1) Business Rights relating to Customer Support Services business (Cash Generating Unit - CGU), with carrying value of ₹ 1,518 Lakhs has been considered as intangible having an indefinite useful life as there are no technical, technological obsolescence or limitations under the contract.

This 'Business Rights' has been tested for impairment using the future discounted cash flow method. Based on valuation & assessment there is no impairment recognised during the year (Impairment of Rs.350 lakhs recognised in previous year at the carrying value).

- 2) Amortization expense of intangible asset have been included under 'Depreciation & amortization' expense in statement of profit and loss account.

## Notes forming part of the Financial Statements (Contd.)

### Note 5 : Investments

(₹ Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>I. Unquoted Investments</b>		
(a) <i>Investments in Equity Instruments at FVTOCI</i>		
6,00,000(2019 - 6,00,000) shares of ₹ 10 each fully paid up in TVS Training and Services Limited.	110	96
<b>Total Unquoted Investments - Non current</b>	<b>110</b>	<b>96</b>
<b>II. Quoted Investments</b>		
(a) <i>Investment in IDFC Mutual Funds at FVTPL</i>	1,594	19
60,088.72 (2020 - 792.06) units of IDFC Cash Fund - Growth at NAV of ₹ 2,486 (2020 - ₹ 2,402 per unit)		
839,567 (2020 - NIL) units of IDFC Ultra Short Term Fund at NAV of ₹ 11.92 (2020 - NIL)		
Cost of Investment:		
Ultra Short Term: ₹ 99.99 Lakhs (2020 - Nil)		
IDFC Cash Fund: ₹ 1,464.93 Lakhs (2020 - ₹ 18 Lakhs)		
<b>Total Quoted Investments - Current</b>	<b>1,594</b>	<b>19</b>
<b>Total Investments</b>	<b>1,704</b>	<b>115</b>
<b>Current</b>	<b>1,594</b>	<b>19</b>
<b>Non-current</b>	<b>110</b>	<b>96</b>

### Note 6 : Other Financial Assets

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, Considered Good</b>				
<b>At Amortised Cost</b>				
(a) Security Deposits	137	147	161	249
(b) Interest receivable	-	-	3	2
(c) Unbilled revenue	-	-	641	558
(d) Insurance claims	-	-	32	7
(e) Deposits with maturity period more than one year	-	16	-	-
(f) Others	-	-	57	18
<b>At Fair Value through profit or loss</b>				
(i) MTM Asset not designated through hedge relationship	-	-	-	24
	<b>137</b>	<b>163</b>	<b>894</b>	<b>858</b>

## Notes forming part of the Financial Statements (Contd.)

### Note 7 : Deferred tax balances

(₹ in Lakhs)

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	163	126
Deferred tax liabilities	(137)	(128)
	<u>26</u>	<u>(2)</u>

2020-21	Opening balance	Recognised in profit or loss	Recognised in Other compre- hensive income	Closing balance
<b>Deferred tax (liabilities)/asset in relation to</b>				
Property plant and equipment	(119)	(5)	-	(124)
Provision for Doubtful Debts and others	43	71	-	114
Financial assets at FVTOCI	(9)	-	(4)	(13)
Right to use Asset	20	(3)	-	17
Defined benefit obligation, Provision for compensated absences	63	(37)	6	32
<b>Total</b>	<u>(2)</u>	<u>26</u>	<u>2</u>	<u>26</u>
Tax losses	-	-	-	-
<b>Net Deferred Tax Assets/( Liability)</b>	<b>(2)</b>			<b>26</b>

2019-20	Opening balance	Recognised in profit or loss	Recognised in Other compre- hensive income	Closing balance
<b>Deferred tax (liabilities)/asset in relation to</b>				
Property plant and equipment	(273)	154	-	(119)
Provision for Doubtful Debts and others	27	16	-	43
Financial assets at FVTPL	15	(15)	-	-
Financial assets at FVTOCI	-	-	(9)	(9)
Right to use Asset	-	20	-	20
Defined benefit obligation, Provision for compensated absences	61	2	-	63
<b>Total</b>	<u>(170)</u>	<u>177</u>	<u>(9)</u>	<u>(2)</u>
Tax losses	-	-	-	-
<b>Net Deferred Tax Liability</b>	<b>(170)</b>			<b>(2)</b>
MAT Credit entitlement *	43			-
<b>Net Deferred Tax Assets/( Liability)</b>	<b>(127)</b>			<b>(2)</b>

\* MAT credit availed relates to Financial Year 2018-19

## Notes forming part of the Financial Statements (Contd.)

### Note 8 : Other Assets

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, Considered Good</b>				
(a) Security Deposit*	2,509	2,508	-	-
(b) Advances to suppliers	-	-	619	639
(c) Capital Advance	-	40	-	-
(d) Balance with Statutory authorities	124	28	142	596
(e) Prepaid expenses	13	17	43	56
	<b>2,646</b>	<b>2,593</b>	<b>804</b>	<b>1,291</b>

\* Includes an amount of INR 2,500 lakhs paid to TVS Investments Private Limited as Indemnity Deposit. (Refer note 33)

### Note 9 : Inventories

	As at March 31, 2021	As at March 31, 2020
<i>(At lower of cost and net realisable value)</i>		
(a) Raw materials	1,653	1,224
(b) Finished goods	349	378
(c) Stock-in-trade (Goods acquired for trading)	1,694	1,465
	<b>3,696</b>	<b>3,067</b>

#### Notes:

- The cost of inventories recognised as an expense during the year is disclosed in Note 23
- Cost of inventory recognised as an expense include ₹ 518 Lakhs (during 2019-20 ₹ 396 Lakhs) on account of provision for slow moving / non moving inventory.
- Total Inventory includes goods in transit of ₹ 931 lakhs (during 2019-20 ₹ 533 lakhs)

## Notes forming part of the Financial Statements (Contd.)

### Note 10 : Trade Receivables

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	2,767	4,254
Unsecured, significant increase in credit risk	454	172
Receivables	3,221	4,426
Allowance for doubtful debts	(454)	(172)
Total Receivables (Net of Allowance for doubtful debts)	<b>2,767</b>	<b>4,254</b>
<b>Current</b>	<b>2,767</b>	<b>4,254</b>
<b>Non-current</b>	-	-

The average credit period on sales of goods ranges from 30 to 60 days. No interest is charged on trade receivables up to the due date. The table below depicts the ageing of trade receivables:

Age of receivables	As at March 31, 2021	As at March 31, 2020
0-180 days	2,707	4,106
181-365 days	163	244
More than 365 days	351	76
	<b>3,221</b>	<b>4,426</b>

The company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes in to account historical credit loss experience and adjusted for forward - looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates are given in the provision matrix. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected credit loss%
0-180 days past due	-
181 - 365 days past due	50%
more than 365 days past due	100%

Movement in expected credit loss allowance	As at March 31, 2021	As at March 31, 2020
Balance at beginning of the year	172	77
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	282	94
Balance at end of the year	<b>454</b>	<b>172</b>

The Company has also has taken into account ,the estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables is adequate.

## Notes forming part of the Financial Statements (Contd.)

### Note 11 : Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks		
(i) In Current account	799	104
(ii) In Deposit account	6	1,273
(b) Cash on hand	3	7
	<u>808</u>	<u>1,384</u>

### Note 12 : Other bank balances

	As at March 31, 2021	As at March 31, 2020
(a) Balances with banks in earmarked accounts		
- In Unpaid Dividend account	28	21
- In deposits with maturity above three months	23	-
	<u>51</u>	<u>21</u>

### Note 13 : Non Current tax asset

	As at March 31, 2021	As at March 31, 2020
Advance tax & TDS (net of provision)	231	247
<b>Total</b>	<u>231</u>	<u>247</u>

**Note 14 : Equity Share Capital**

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>AUTHORISED :</b>		
Equity Shares:		
2,50,00,000 Equity Shares of ₹ 10 each	2,500	2,500
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,86,50,318 Equity Shares of ₹ 10 each	1,865	1,865
	<b>1,865</b>	<b>1,865</b>

**14.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.**

Reconciliation	2020-21		2019-20	
	No. of Shares	₹ Lakhs	No. of Shares	₹ Lakhs
<b>Equity Shares of ₹ 10 each fully paid up</b>				
At the beginning of the year	18,650,318	1,865	18,612,818	1,861
Allotment of shares on exercise of Employee Stock Option*	-	-	37,500	4
At the end of the year	<b>18,650,318</b>	<b>1,865</b>	<b>18,650,318</b>	<b>1,865</b>

\* During the year 2019-20, 37,500 options which were fully vested under ESOP scheme 2011 were exercised and allotted.

**14.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:**

Name of the Share holder	No of shares held as at			
	March 31, 2021		March 31, 2020	
	Nos.	%	Nos.	%
TVS Investments Private Limited	11,160,093	59.84%	11,160,093	59.84%

**14.3 Terms attached to Equity Shares:**

The Company has one class of equity share having a par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Repayment of capital on liquidation will be in proportion to the number of equity shares held.

Share options granted under the Company's employee share option plan carried no rights to dividends and no voting rights.

**14.4 Details of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

Nil

## Notes forming part of the Financial Statements (Contd.)

### Note 15 : Other equity

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
Capital reserve	61	61
Security Premium	1,525	1,525
General Reserve	405	405
Reserve for equity instruments through Other Comprehensive income	38	28
Retained Earnings	4,285	4,178
	<b>6,314</b>	<b>6,197</b>
<b>RESERVES AND SURPLUS:</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>(a) Capital reserve</b>	<b>61</b>	<b>61</b>
<b>(b) Securities Premium Account</b>		
Opening balance	1,525	1,492
Add :Addition during the year	-	33
<b>Closing balance</b>	<b>1,525</b>	<b>1,525</b>
<b>(c) General Reserve</b>		
Opening balance	405	405
<b>Closing balance</b>	<b>405</b>	<b>405</b>
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss except to the extent permitted as per Companies Act,2013 and rules made thereunder.		
<b>(d) Share Options Outstanding Reserve</b>		
Opening balance	-	33
Add :Addition during the year	-	-
Less: Transferred to Securities Premium Account	-	(33)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

(₹ in Lakhs)

<b>RESERVES AND SURPLUS:</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
<b>(e) Reserve for equity instruments through Other Comprehensive income</b>		
Opening Balance	28	(2)
Additions/(Deletions)	10	30
Closing	<b>38</b>	<b>28</b>
This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.		
<b>(f) Retained Earnings</b>		
Opening Balance	4,178	4,848
Profit for the year	77	39
Other comprehensive income for the year, net of income tax	30	(36)
	<b>4,285</b>	<b>4,851</b>
Less : Appropriations		
Dividend on Equity Shares (including Dividend distribution tax)*	-	673
Closing Balance	<b>4,285</b>	<b>4,178</b>

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the separate financial statements of the Company and also considering the requirements of the Companies Act, 2013. thus, the amounts reported above are not distributable in entirety.

\* Includes interim dividend of ₹1.50 per Equity share of face value of ₹ 10/- each for the year 2019-20 declared by the Board of Directors at their meeting held on March 07, 2020.

**Note 16 : Provisions**

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a. Provision for compensated absences	-	85	12	39
b. Provision for Warranty	130	52	635	688
	<b>130</b>	<b>137</b>	<b>647</b>	<b>727</b>

**Note 17 : Other liabilities**

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
a. Statutory remittances	-	-	129	91
b. Gratuity	-	-	119	143
c. Unexpired Annual Maintenance Contracts	13	32	42	28
d. Advance from customers	-	-	300	125
	<b>13</b>	<b>32</b>	<b>590</b>	<b>387</b>

## Notes forming part of the Financial Statements (Contd.)

### Note 18 : Short Term Borrowings

(₹ in Lakhs)

	As at March 31, 2021	As at March 31, 2020
<b>Secured - at amortised cost</b>		
a. Loan repayable on demand		
- from banks	-	1,443
	<u>-</u>	<u>1,443</u>

a. Working Capital facilities from Banks are secured by hypothecation of raw materials, components, work in process, finished goods, book debts, stores and spares.

### Note 19 : Trade Payables

	As at March 31, 2021	As at March 31, 2020
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	328	45
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,437	5,023
Employee related payables	265	244
<b>Total Payable to other than micro enterprises and small enterprises</b>	<u>5,702</u>	<u>5,267</u>
<b>Total *</b>	<u>6,030</u>	<u>5,312</u>

Note:

\* Of this an amount of ₹ 328 lakhs (during the 2019-20 ₹ 45 lakhs) was due to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 which is on the basis of such parties having been identified by the management.

### Note 20 : Other financial liabilities

	Non-current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>At Amortised Cost</b>				
(a) Interest accrued but not due on borrowings & acceptance	-	-	-	-
(b) Unclaimed dividends	-	-	28	21
(c) Security deposit	-	-	690	510
<b>At Fair Value through profit or loss</b>				
(i) MTM liability not designated through hedge relationship	-	-	1	-
	<u>-</u>	<u>-</u>	<u>719</u>	<u>531</u>
<b>Lease Liabilities (Refer Note 31c)</b>	<u>352</u>	<u>598</u>	<u>315</u>	<u>598</u>
<b>Total</b>	<u>352</u>	<u>598</u>	<u>1,034</u>	<u>1,129</u>

## Notes forming part of the Financial Statements (Contd.)

### Note 21 : Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of Products	14,328	15,459
(b) Sale of Products - Distribution Business	1,619	2,509
(c) Sale of Services	6,464	7,829
(d) Sale of Services - Distribution Business	-	-
(e) Other operating revenues	49	75
	<b>22,460</b>	<b>25,872</b>

### Note 22 : Other Income

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income earned on financial assets that are not designated at fair value through profit / loss		
On bank deposits (at amortised cost)	26	18
On security deposits	18	26
On delayed receipts	14	22
On Income Tax refund	7	225
- Profit on sale of Property, Plant and Equipment	7	3
- Profit on sale of investments	-	32
- Net gain arising on financial assets measured at FVTPL	10	25
- Net gain on foreign currency transaction and translation	22	56
(b) Rental income on sub-lease	32	36
(c) Liabilities no longer required written back	32	69
(d) Other non-operating income	38	21
	<b>206</b>	<b>533</b>

### Note 23 : Cost of material consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock of raw materials and components	1,224	1,484
Add: Purchases	6,394	6,703
Total	7,618	8,187
Less: Closing stock of raw materials and components	1,653	1,224
<b>Consumption of raw material and components</b>	<b>5,965</b>	<b>6,963</b>

### Note 24 : Purchases of Stock-in-trade

	Year ended March 31, 2021	Year ended March 31, 2020
Purchases of Stock-in-trade	5,333	5,616
	<b>5,333</b>	<b>5,616</b>

## Notes forming part of the Financial Statements (Contd.)

### Note 25 : Changes in Inventories of finished goods, work-in-progress and stock in trade

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Stock:</b>		
Finished goods	378	385
Stock-in-trade	1,465	1,292
	<u>1,843</u>	<u>1,677</u>
<b>Closing Stock:</b>		
Finished goods	349	378
Stock-in-trade	1,694	1,465
	<u>2,043</u>	<u>1,843</u>
<b>Decrease / (Increase) in Stocks</b>	<b>(200)</b>	<b>(166)</b>

### Note 26 : Employee Benefit expense

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries, Wages and Bonus	2,798	3,210
(b) Contribution to Provident and Other Funds	151	300
(c) Workmen and Staff Welfare Expenses	122	305
<b>Total</b>	<b>3,071</b>	<b>3,815</b>

### Note 27 : Finance Costs

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest		
On term loans	-	-
On lease liabilities	77	144
On others	113	92
<b>Total</b>	<b>190</b>	<b>236</b>

### Note 28 : Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation/amortisation on		
(a) Property, plant and equipment	257	290
(b) Right to use assets	487	705
(c) Intangible assets	33	45
<b>Total</b>	<b>777</b>	<b>1,040</b>

Notes forming part of the Financial Statements (Contd.)

Note 29 : Other expenses

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Consumption of Stores, Spares and Consumables	47	70
(b) Power and Fuel	100	164
(c) Rent	174	290
(d) Repairs and Maintenance		
- Buildings	228	270
- Plant and Machinery	44	36
- Others	325	306
(e) Insurance	106	107
(f) Rates and Taxes	26	58
(g) Auditors' Remuneration (refer note 32 (iii))	23	26
(h) Directors' Fees and Commission	20	18
(i) Loss on Sale & discard of Assets	80	38
(j) Travelling & conveyance	366	670
(k) Legal & consultancy	381	470
(l) Outsource staffing services	1,951	2,860
(m) Carriage outwards	444	366
(n) Corporate Social Responsibility expense (refer note 32 (iv))	30	29
(o) Provision for doubtful debts	266	94
(p) Bad Debts / Advances written off	-	17
(q) Warranty expenses	970	881
(r) Authorised service provider expense	1,403	1,296
(s) Miscellaneous expenses	452	487
<b>Total</b>	<b>7,436</b>	<b>8,553</b>

## Notes forming part of the Financial Statements (Contd.)

### Note 30 : Earnings per Share:

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Basic Earnings per share (Amt in ₹)	0.41	0.21
Diluted Earnings per share (Amt in ₹)	0.41	0.21

#### 30.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Profit after Taxation (₹ in Lakhs)	77	39
<b>Earnings used in the calculation of basic earnings per share</b>	<b>77</b>	<b>39</b>
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	18,650,318	18,612,818
Add : Number of shares issued pursuant exercise of Employees Stock option	-	37,500
Number of equity Shares of ₹ 10 each outstanding at the end of the year	18,650,318	18,650,318

#### 30.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows:

<b>Earnings used in the calculation of basic earnings per share</b>	<b>77</b>	<b>39</b>
Adjustments	-	-
<b>Earnings used in the calculation of diluted earnings per share</b>	<b>77</b>	<b>39</b>
The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:		
Weighted average number of equity shares used in the calculation of basic earnings per share	18,650,318	18,634,642
Shares deemed to be issued for no consideration in respect of	-	-
- employee options		
Weighted average number of equity shares used in the calculation of diluted earnings per share	18,650,318	18,634,642

**Note 31a : Revenue from contracts with customers**
**Disaggregation of revenue**

The following table provides information about disaggregated revenue by geographical market, major service line, timing of revenue recognition and category of customer (in INR lakhs):

Major product/service lines	Year ended March 31, 2021	Year ended March 31, 2020
Sale of goods	15,947	17,968
B2B Services (In-Warranty, E-auction & others)	5,899	6,403
B2C Services (Out of warranty Services)	510	1,175
Others	104	326
<b>Total revenue from contracts with customers</b>	<b>22,460</b>	<b>25,872</b>

Timing of revenue recognition	Year ended March 31, 2021	Year ended March 31, 2020
Products & services transferred at point in time	22,406	25,796
Services transferred over a period of time	54	76
<b>Total revenue from contracts with customers</b>	<b>22,460</b>	<b>25,872</b>

Category of customer	Year ended March 31, 2021	Year ended March 31, 2020
Institutional - Govt / BFSI - Sale of Products	2,867	4,821
Retail - ADP, Channel & outlets - Sale of Products	11,062	13,169
Others- Sale of Services(Including IT products related companies, Retail Customers)	8,531	7,882
<b>Total revenue from contracts with customers</b>	<b>22,460</b>	<b>25,872</b>

**Transaction price allocated to the remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures with respect to:

- contracts where revenue is recognised at a point in time
- the performance obligation that is part of a contract that has an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Particulars	As at March 31, 2021	As at March 31, 2020
Unamortised portion of service contracts	55	59
<b>Total</b>	<b>55</b>	<b>59</b>

**Contract liability**

Changes in Unearned income / deferred revenue and advance from customers are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	59	79
Additions (on account of invoicing during the year or advance received from the customer during the year)	50	56
Revenue recognized that was included in the unearned income / deferred revenue / advance received from customers balance at beginning of the year	(54)	(76)
Balance at the end of the year	55	59

## Notes forming part of the Financial Statements (Contd.)

(₹ in Lakhs)

### Reconciliation of revenue recognised with the contract price is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Contract price (as reflected in the signed contract with customer)	27,332	33,410
<i>Reduction towards amounts payable to customer:</i>		
Amounts paid/payable to the brand		
<i>Reduction towards variable components:</i>		
-Direct commission	162	106
-Parts cost	4,710	7,432
-Penalties		
Revenue recognized	22,460	25,872

The Company receives payments from customers based upon contractual billing schedules; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract. The Company had no asset impairment charges related to contract assets in the period.

### 31b. Movement of Provision for Product Warranty

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	740	739
Provisions made during the year	656	881
Claims Settled during the year	(631)	(880)
Balance at the end of the year	765	740

### Recognised under Provision (Refer note 16)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Non-current	130	52
Current	635	688
<b>Total</b>	<b>765</b>	<b>740</b>

Provision represents estimate made for probable liabilities / claims relating to warranty. The outflow would depend on receipt of claims during the period.

### Note 31c.

#### A. Break-up of current and non-current lease liabilities :

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:

Particulars	As at March 31, 2021
Current lease liabilities	315
Non-current lease liabilities	352
<b>Total</b>	<b>667</b>

**B. Movement in Lease liabilities :**

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	As at March 31, 2021
<b>Balance as on 1st April 2020</b>	1,196
Restatements on account of change in lease terms	(42)
Additions	336
Deletions	(353)
Finance costs accrued during the period	77
Payment of Lease liabilities	(547)
<b>Balance as on 31st March 2021</b>	<b>667</b>

**C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:**

Particulars	As at March 31, 2021
Less than one year	365
One to five years	411
More than five years	-
<b>Total</b>	<b>776</b>

**D. Amounts recognized in profit or loss**

Particulars	2020-21
Interest on lease liabilities	77
Variable lease payments not included in the lease payment liabilities	-
Income from sub-leasing right of use assets	32
Expenses relating to short- term leases	83
Expenses relating to leases of low- value assets, excluding short term leases of low value assets.	92

**E. Amounts recognized in profit or loss**

Particulars	2020-21
Total cash outflows for leases	466

## Notes forming part of the Financial Statements (Contd.)

### Note 32 : Other Disclosures

(₹ in Lakhs)

#### (i) Contingent liabilities

Details	March 31, 2021	March 31, 2020
(i) Claims against the company not acknowledged as debt		
Income tax	41	46
Value added tax & CST	13	88
Others	108	108

#### (ii) Capital commitments

Details	March 31, 2021	March 31, 2020
(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	241	45

#### (iii) Audit Fees

Details	March 31, 2021	March 31, 2020
As statutory auditors	15	17
Tax Audit	2	2
Other services	3	3
Reimbursement of expenses	3	4
<b>Total</b>	<b>23</b>	<b>26</b>

#### (iv) Expenditure incurred on Corporate Social Responsibility activities:

Details	March 31, 2021	March 31, 2020
(a) Gross amount required to be spent by the Company during the year	24	28
(b) Amount spent during the year in cash	30	29

**33. Related Party Disclosure for the year ended March 31, 2021 (as required under Ind AS 24)**

**33.1. Holding companies**

T.V.Sundram Iyengar & Sons Private Limited (Ultimate Holding Company)

TVS Investments Private Limited (Holding Company of Reporting Entity)

**33.2 Other Related Parties with whom transactions have been made during the year**

Fellow Subsidiaries:

Sundaram-Clayton Limited

TVS Motor Company Limited

TVS Capital Funds Private Limited

Emerald Haven Reality Limited

Harita Fehrer Limited

Harita Techserv Private Limited

Harita Seating System Limited

Sundaram Auto Components Limited

Sundaram Industries Private Limited

Sundaram Fastners Limited

TVS Credit Services Limited

TVS Logistics Services Limited

TVS Upasna Limited

International Money Matters Pvt Ltd

WIL Car Wheels Limited

Wheels India Limited

**33.3 Key Management Personnel (KMP)**

Mr. Gopal Srinivasan (Chairman)

Mrs. Srilalitha Gopal (Managing Director)

**33.4 Transactions with related parties**

	₹ in Lakhs	
	2020-21 Amt	2019-20 Amt
<b>Services availed</b>		
a. Sundaram-Clayton Limited, Chennai	14	15
b. TVS Investments Private Limited, Chennai	52	52
c. TVS Capital Funds Private Limited, Chennai	71	136
d. Harita Techserv Private Limited	15	-
e. International Money Matters Private Limited	7	-
<b>Earnest Money Deposit received</b>		
a. Brakes India Private Limited	997	-
<b>Sale of Materials / Fixed Assets</b>		
a. TVS Motor Company Limited, Chennai	15	26

**Notes forming part of the Financial Statements (Contd.)**

	₹ in Lakhs	
	2020-21 Amt	2019-20 Amt
<b>Services rendered</b>		
a. Brakes India Private Limited	12	9
b. Emerald Haven Reality Limited	-	2
c. TVS Motor Company Limited	194	122
d. Harita Fehrer Limited	15	5
e. Harita Seating Systems Limited	6	12
f. TVS Capital Funds Private Limited	6	17
g. Sundaram Auto Components Limited	6	8
h. Sundaram Industries Private Limited	1	1
i. Sundaram Fastners Limited	-	18
j. Sundaram-Clayton Limited	77	91
k. TVS Logistics Services Limited	-	4
l. TVS Upasana Limited	2	3
m. Wheels India Limited	19	17
n. International Money Matters Pvt Ltd	4	30
o. WIL Car Wheels Limited	8	8
p. Harita Techserv Limited	9	9
q. TVS Investments Private Limited	-	1
<b>Compensation of Key Management Personnel</b>		
(1) Short term benefits	89	133
<b>Reimbursement (Received)</b>		
a. TVS Capital Funds Private Limited	17	-
b. TVS Investments Private Limited	1	-
<b>Closing Balance</b>		
<b>a) Trade Receivables</b>		
a. Sundaram-Clayton Limited, Chennai	28	13
b. TVS Motor Company Limited, Chennai	3	12
c. TVS Capital Funds Private Limited, Chennai	0	-
d. Brakes India Private Limited	1	2
e. Sundaram Fasteners Limited	-	3
f. TVS Credit Services Limited	1	1
g. Wheels India Limited	5	3
h. International Money Matters Private Limited	-	39
i. WIL Car Wheels Limited	2	2
j. Harita Techserv Limited	-	52
k. other related parties	-	2
<b>b) Indemnity Deposit</b>		
a. TVS Investments Private Limited, Chennai	2,500	2,500
<b>c) Trade Payables</b>		
a. TVS Investments Private Limited, Chennai	11	11
b. TVS Capital Funds Private Limited, Chennai	10	25
c. Sundaram-Clayton Limited, Chennai	3	4
d. Harita Techserv Private Limited, Chennai	11	3

## Notes forming part of the Financial Statements (Contd.)

### Note 34 : Income taxes relating to continuing operations

(₹ in Lakhs)

	Year ended March 31, 2021	Year ended March 31, 2020
34.1 Income tax recognised in profit or loss		
<b>Current tax</b>		
In respect of current year	43	136
In respect of prior years	-	-
<b>Deferred tax</b>		
In respect of current year	(26)	(177)
<b>Total income tax gain recognised in the current year relating to continuing operations</b>	<b>17</b>	<b>(41)</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	2020-21 ₹ Lakhs	2019-20 ₹ Lakhs
<b>(Loss) / Profit before tax from continuing operations</b>	94	(2)
Income tax expense calculated at 25.17%	24	(0)
Effect of income that is exempt from taxation	-	-
Effect of expenses that are not deductible in determining taxable profit	19	136
Effect of other temporary differences now recognised as DTA, net	(26)	(177)
	17	(41)
Adjustments recognised in current year relating to current tax of previous years	-	-
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>17</b>	<b>(41)</b>

The tax rate used for the 2020-21 and 2019-20 reconciliations above is the corporate tax rate of 25.17%, payable by corporate entities in India on taxable profits under the Indian tax law.

The company has chosen to exercise the option of lower tax rate at 25.17% (inclusive of surcharge and cess) under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance 2019.

### 34.2 Income tax recognised in other comprehensive income

Particulars	2020-21 ₹ Lakhs	2019-20 ₹ Lakhs
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	(2)	9
Remeasurement of defined benefit obligation	-	-
<b>Total income tax recognised in other comprehensive income</b>	<b>(2)</b>	<b>9</b>

## Notes forming part of the Financial Statements (Contd.)

### 35. Financial Instruments

#### 35.1 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

Particulars	As at March 31, 2021	As at March 31, 2020
Debt *	-	1,443
Cash and cash equivalents	808	1,384
Net debt	-	59
Equity**	8,179	8,062
Total capital (Net Debt+Equity)	7,371	8,121
Net debt to equity ratio	-	0.01

\*Debt is defined as long-term and short-term borrowings (excluding derivatives).

\*\* Equity includes all capital and reserved of the company that are managed as capital.

	As at March 31, 2021	As at March 31, 2020
<b>35.2 Categories of financial instruments</b>		
<b>Financial assets</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Mandatorily measured:		
(i) Other investments	1,594	19
<b>Measured at amortised cost</b>		
(a) Cash and bank balances	860	1,405
(b) Other financial assets	3,798	5,252
<b>Measured at FVTOCI</b>		
(a) Investments in equity instruments designated upon initial recognition	110	96
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Derivatives not designated in hedge accounting relationships	-	24
<b>Financial liabilities</b>		
<b>Measured at fair value through profit or loss (FVTPL)</b>		
(a) Derivatives not designated in hedge accounting relationships	1	-
<b>Measured at amortised cost</b>		
(a) Other financial liabilities	7,415	8,482

#### 35.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

**35.4 Market Risk**

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

**35.5 Foreign Currency risk management**

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the company's foreign currency denominated monetary liabilities at the end of the reporting period.

Currency	Liabilities as at (₹ in Lakhs)	
	March 31, 2021	March 31, 2020
USD	9	6
CHF	1	-
SGD	1	-
EURO	0	-

**Foreign currency forward contracts outstanding as at Balance Sheet date:**

Currency	Liabilities as at (₹ in Lakhs)	
	March 31, 2021	March 31, 2020
USD	17	8

**35.5.1 Foreign Currency sensitivity analysis**

The following table details the company's sensitivity to a 10% increase and decrease in the Rs. against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans where the denomination of the loan is in a currency other than the functional currency of the lender or the borrower. A positive number below indicates an increase in profit or equity where the Rs. strengthens 10% against the relevant currency. For a 10% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity.

Particulars	INR impact (₹ in Lakhs)							
	USD		EUR		SGD		CHF	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Profit or loss	66	43	2	-	4	-	6	-

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**35.6 Interest rate risk management**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

**35.6.1 Interest rate sensitivity analysis**

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	(₹ in Lakhs)	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Impact on profit & loss account	-	-

## Notes forming part of the Financial Statements (Contd.)

### 35.7 Other price risks

The company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic purposes. The company doesn't actively trade these investments.

#### 35.7.1 Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 100 points higher/lower;

Particulars	₹ in Lakhs	
	For the year ended 31st March 2021	For the year ended 31st March 2020
Impact on OCI	1.0	0.9

### 35.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company uses other publicly available financial information and its own trading records to review its major customers. The company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

### 35.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### 35.9.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021:

Particulars	Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount
Trade payables	6,030				6,030	6,030
Borrowings	-				0	0
Other financial liabilities	2,549	352			2,901	719

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2020:

Particulars	Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount
Trade payables	5,312				5,312	5,312
Borrowings	1,443				1,443	1,443
Other financial liabilities	1,744	598			2,342	531

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

### 35.10 Fair value measurements

35.10.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and inputs used).

Particulars	Fair value hierarchy	As at March 31, 2021			As at March 31, 2020		
		Amortised cost	Fair Value through profit or loss	Fair Value through OCI	Amortised cost	Fair Value through profit or loss	Fair Value through OCI
<b>Financial assets</b>							
Financial assets at amortised cost:							
- Trade receivables	Level 2	2,767	-	-	4,254	-	-
- Cash and cash equivalents	Level 2	808	-	-	1,384	-	-
- Bank balances other than cash and cash equivalents	Level 2	51	-	-	21	-	-
- Investments in Mutual funds	Level 1	-	1,594	-	-	19	-
- Investments in equity instruments	Level 3	-	-	110	-	-	96
- Other financial assets	Level 2	1,031	-	-	997	24	-
Particulars	Fair value hierarchy	As at March 31, 2021			As at March 31, 2020		
		Amortised cost	Fair Value through profit or loss	Fair Value through OCI	Amortised cost	Fair Value through profit or loss	Fair Value through OCI
<b>Financial liabilities</b>							
Financial liabilities at amortised cost:							
Borrowings	Level 2	-	-	-	1,443	-	-
Trade payables	Level 2	6,030	-	-	5,312	-	-
Other financial liabilities	Level 2	1,385	1	-	1,727	-	-

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair-value of the financial-instruments factor the uncertainties arising out of COVID-19, where applicable.

**Notes forming part of the Financial Statements (Contd.)**
**Note 36 : Segment revenues, results and other information**

(₹ in Lakhs)

Particulars	March 31, 2021				March 31, 2020			
	Products & Solutions	Customer Support Services	Fulfillment & Distribution Services	Total	Products & Solutions	Customer Support Services	Fulfillment & Distribution Services	Total
<b>Revenue from Operations</b>								
External Sales	13,943	6,898	1,619	22,460	15,065	8,298	2,509	25,872
Less: Inter Segment Sales - Elimination	-	-	-	-	-	-	-	-
<b>Net Revenue</b>	<b>13,943</b>	<b>6,898</b>	<b>1,619</b>	<b>22,460</b>	<b>15,065</b>	<b>8,298</b>	<b>2,509</b>	<b>25,872</b>
Segmentwise results before interest and tax and Exceptional items	765	(746)	59	78	1,005	(1,337)	33	(299)
Add: Interest Income				52	-		-	270
Add: Other unallocable Income				154	-			263
Less: Finance Costs				(190)	-		-	(236)
Less: other unallocable expense				-				-
Profit before tax from ordinary activities before tax and exceptional items				94	-		-	(2)
Add / (less): Exceptional items				-	-		-	(350)
Profit from ordinary activities before tax and after exceptional items				94				(352)
Less: Tax expense				17				41
<b>Profit After Tax</b>				<b>77</b>				<b>(311)</b>
Segment Assets	8,179	5,784	192	14,155	8,537	6,976	549	16,062
Unallocated segment assets				2,820				1,767
<b>Total Assets</b>				<b>16,975</b>				<b>17,829</b>
Segment Liabilities	5,491	3,134	171	8,796	4,634	3,281	407	8,322
Unallocated segment liabilities				-				1,445
<b>Total Liabilities</b>				<b>8,796</b>				<b>9,767</b>
Capital Expenditure	33	132	-	165	19	213	32	264
Segment depreciation/amortisation (other than Right to use)	76	143	-	219	149	185	-	334
Non-cash expenses / (income) other than depreciation / amortisation					-	-	-	-

The Company has the following business segments as per Ind AS 108 for which segment information has been provided:

(i) Products &amp; Solutions; (ii) Customer Support Services (iii) Fulfillment &amp; Distribution Services;

**Note 37 : Employee benefit plans**
**A. Description of plans**

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund, Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature.

Under the Provident Fund and Gratuity, employees are entitled to receive lump sum benefits. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

**B. Defined benefit plans :**
**Gratuity -**

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2021 by Mr.Venkatakrishna Narayana, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest Rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Investment Risk :** The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Salary Escalation Risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic Risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Particulars	Gratuity (Funded)	
	2020-21	2019-20
	₹ Lakhs	₹ Lakhs
<b>Present Value of obligations at the beginning of the year</b>	<b>384</b>	329
Current service cost	63	48
Interest Cost	21	21
Acquisition / Divestiture / Adjustments	-	-
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	(22)	37
- Actuarial gains and losses arising from experience adjustment	-	-
Benefits paid	(71)	(51)
<b>Present Value of obligations at the end of the year</b>	<b>375</b>	<b>384</b>
<b>Changes in the fair value of planned assets</b>		
<b>Fair value of plan assets at beginning of year</b>	<b>241</b>	274
Interest Income	14	17
Return on plan assets	2	1
Acquisition / Divestiture / Adjustments	-	-
Other charges	(4)	(3)
Contributions from the employer	70	-
Benefits Paid	(63)	(48)
<b>Fair Value of plan assets at the end of the year</b>	<b>260</b>	<b>241</b>
<b>Amounts recognized in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	375	384
Fair value of plan assets at end of the year	260	241
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>115</b>	<b>143</b>

**Notes forming part of the Financial Statements (Contd.)**

Particulars	Gratuity (Funded)	
	2020-21	2019-20
	₹ Lakhs	₹ Lakhs
<b>Components of defined benefit cost recognised in profit or loss</b>		
Current service cost	63	48
Net Interest Expense	7	4
<b>Net Cost in Profit or Loss</b>	<b>70</b>	<b>52</b>
<b>Components of defined benefit cost recognised in Other Comprehensive income</b>		
Remeasurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	(22)	37
- Actuarial gains and losses arising from experience adjustment	-	-
Return on plan assets	(2)	(1)
<b>Net Cost in Other Comprehensive Income</b>	<b>(24)</b>	<b>36</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>Assumptions</b>		
Discount rate	4.90% to 6.40%	5.50% to 6.20%
Expected rate of salary increases	9.00%	7.00% to 7.50%
Expected rate of attrition	13.00% to 37.00%	18.00% to 34.00%
Average age of members	35.10	35.28
Average remaining working life (Against Retirement age of 58)	22.90	22.72
Mortality	(IALM (2012-2014) Ultimate)	

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	March 31, 2021	March 31, 2020
Discount rate		
- 1% increase	15	13
- 1% decrease	(15)	(12)
Salary growth rate		
- 1% increase	(12)	(9)
- 1% decrease	10	9

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

**D. Long Term Compensated Absence**

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

Particulars	March 31, 2021	March 31, 2020
Discount rate	NA	5.50% to 6.20%
Attrition Rate	NA	18.00% to 34.00%
Expected rate of salary increases	NA	7.00% to 7.50%



## Notes forming part of the Financial Statements (Contd.)

**Note 38 :** The outbreak of COVID-19 pandemic globally and in India and consequent lockdown has impacted regular business operations since last week of March 2020. The Company has since restarted its operations in a phased manner. The Company has taken into account external and internal information and carried out a detailed assessment of its business and its impact on financial statements inter alia recoverability of assets including valuation of intangible assets ( having an indefinite useful life amounting to Rs 1,518 lakhs as at March 31, 2021 ) based on business plans, cash flow projections relevant estimates and current indicators of future economic conditions. Based on the above, no material impact is expected on the carrying amounts.

However, the estimated impact of the global health pandemic might vary from the conditions prevailing on the date of approval of these financial statements, and the Company will continue to monitor any material changes due to future economic conditions.

### **Note 39 : Approval of financial statements**

The financial statements were approved for issue by the Board of Directors on May 22, 2021.

In terms of our report attached  
**For Deloitte Haskins & Sells**  
Chartered Accountants

**GEETHA SURYANARAYANAN**  
Partner

Place: Chennai  
Date: May 22, 2021

### **For and on behalf of the Board of Directors**

**GOPAL SRINIVASAN**  
(DIN : 00177699)  
Chairman

**SANTOSH KRISHNADASS**  
Company Secretary

**SRILALITHA GOPAL**  
(DIN : 02329790)  
Managing Director

**A KULANDAI VADIVELU**  
Chief Financial Officer



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