



Diversifying SOLUTIONS. Expanding FRONTIERS.



2021-22
Annual
Report



To view this report online & to know more about us, Please visit: www.tvs-e.in

Forward-looking statements

The Annual Report may contain, without limitation, certain statements that include words such as “believes”, “expects”, “anticipates” and words of similar connotation, which would constitute forward-looking statements. These forward-looking statements are dependent on assumptions, data or methods that may be inaccurate or imprecise and hence are not guarantees of future operating, financial and other results. The Company’s actual results could materially differ from those projected in any forward-looking statements due to various future events, risks, and uncertainties some of which are beyond our control. The Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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6

Branch offices



320+

Walk-in Centres



₹ 308 Crores

Revenues in 2021-22



9.13%

EBITDA margin in 2021-22

DIVERSIFYING SOLUTIONS. EXPANDING FRONTIERS.

Being up-to-date with the customers' needs and demands in this ever evolving world has always been a focus at TVS Electronics Limited. To stay relevant and deliver value, we, at TVS Electronics, have met each challenge with powerful ideas – since our early days.

In addition to our legacy products, where we continue to be market leaders, we have also added a range of services covering the entire spectrum of product life-cycle management. We act as a one-stop shop and customer-centric solutions company, offering a diversified portfolio segmented into two categories – products and solutions, and customer support services.

Over the years, we have not only expanded the size of our product portfolio, but also made it more diverse in the following ways:

Bundling software, product design solutions & customisation for customers;

Offering depth, diversification and expertise in Point of Transaction, Track & Trace, Personal & Productivity and Security & Surveillance products portfolio;

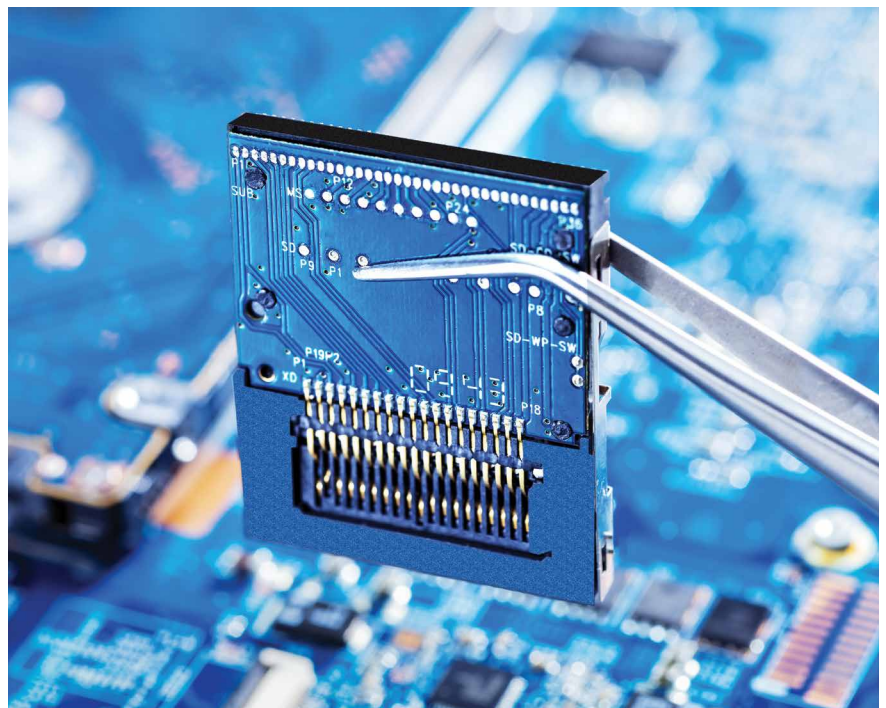
Leveraging our rich B2B experience to be a D2C player;

Foraying into the D2C segment by launching new services and solutions to cater to the ever-changing needs of end customers;

Expanding our presence across geographies.

Leveraging this diversification, we have been clocking a robust growth trajectory, and are poised for better growth in the foreseeable future. Our unflinching focus on evolving and meeting every challenge with

meaningful solutions has helped us expand our frontiers. We are poised to scale greater heights, riding on the back of this evolution, we have grown multifold over the past years.



COMPANY OVERVIEW

Who are we?

We embarked on our journey in the year 1987, under the leadership of Mr. Gopal Srinivasan. Over the years, we have emerged as one of the frontrunners in the IT peripherals, point-of-sale solutions, and comprehensive warranty management services. TVS Electronics Limited (TVS-E) has gradually evolved from a hardware manufacturing company to an organisation with a strong and diversified portfolio of products and services spread under two primary business verticals – products and solutions, and customer support services. We cater to the needs of end-to-end product lifecycle management for both institutional and retail customers. Our services range from designing and manufacturing a product to customer support service, warranty management and end-of-life services.

What drives us?

Values

Our values lie at the core of our organisation. These values are constant and ensure that we stay true to who we are under all circumstances. Fair conduct, perseverance in delighting customers, constant pursuit of quality and engendering leadership skills in all our employees are the pillars upon which our identity has been forged over the decades.

Pillars

- To build trust authentically
- To be leaders
- To win in the marketplace
- To promote initiative

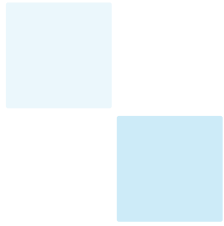
What is our legacy?

The TVS Group has proven excellence across industry segments where it operates, and has a strong brand equity. The TVS name is synonymous with trust, values and customer-centricity. The Group is one of the five largest family-owned business groups in India with a revenue of US\$ 6 billion. One of the many pioneering achievements of the Group over the years, was the fact that it emerged as one of the first companies in Asia to be accredited with the Deming Award for quality. Over the years, the Group has reinforced its position globally, and has emerged as an employer of choice with more than 36,000 people across the world.

What are our strengths?

- Our rich experience and strong expertise in understanding customer needs
- Pan-India presence
- Diversified portfolio with the unique edge of software bundling, product design solutions & customisation for customers
- Superior quality of products and services built to meet the needs of Indian business
- Enduring bonds with partners
- Prudent financial management
- Consistent investments in IT







What defines us?



3+ decades
of experience



6
Branch offices



2
Factories



505
Employees

19,000+
Pin codes serviced



Who are our key clients?

| | | | |
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What we offer?

Products and Solutions Groups (PSG)

1

Point of Transaction Products (PTx)



Dot Matrix Receipt Printer



POS Systems



Payment Devices



Currency Counter



Specialty Printers



Weighing Scale



Tx Keyboard

3

Security & Surveillance Solutions (S&S)



CCTV Cameras & Recorder + Video Analytics

2

Track & Trace Products (T&T)



Barcode Scanners



Label Printers



Handheld Computer

4

Personal & Productivity Products (P&P)



Web Cam



Gaming Keyboard & Mouse



Champ Smart Keyboard



Champ Elite Combo



Customer Support Services (CSS)



Warranty Management Services



Installation and Demo Services



Remote Tech Support and Call Centre Services



Parts Management & Warehousing Services



Repair & Refurbishment Services

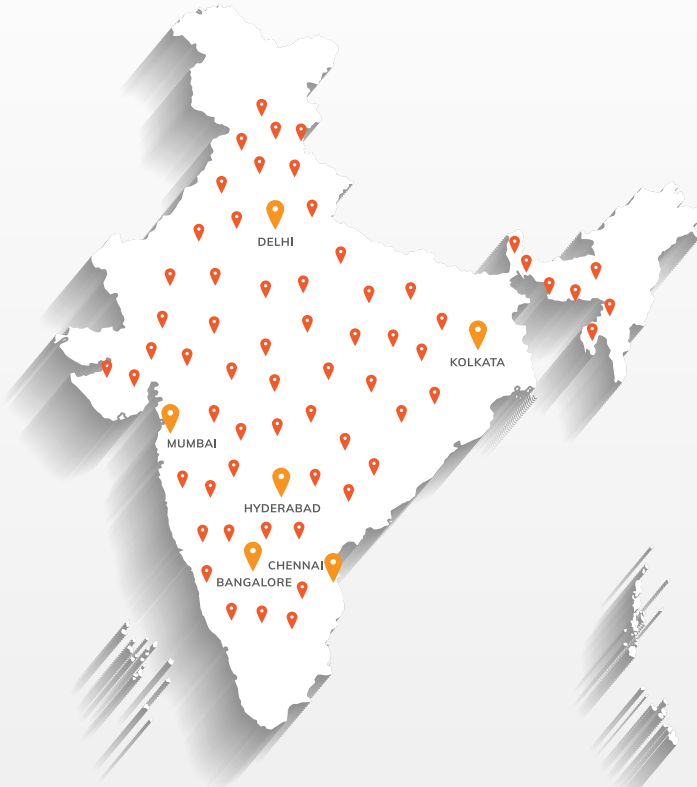


Infra Managed Services



E-waste Management Services

Where are we present?



A futuristic service network with a Pan-India reach.

Proven capability that seamlessly links the entire value-chain of the entire product life-cycle management.

Map not to scale. For illustrative purposes only.

320+

Walk-in centres

520+

Service partners

47

Collection points

180+

Sales partners

1

Repair centre

19,000+

Pin codes serviced

6

Branch offices

2

Factories

25

Warehouses

5,000+

Feet on street

490

Districts covered

120

Size of multi-language call centre

How have we been recognised?



We were accredited with the 'National Award for Best-in-class Learning & Development' at Best Talent management process HIPOT (High Potential) Identification & Development. We are thankful to the World HRD Congress for bestowing this honour upon us, and the larger L&D team at TVS Electronics for their exemplary effort



We won the Mint TechCircle Business Transformation Leader Award 2021. Customer support services for major brands across IT, telecom and consumer electronics is an important part of our portfolio. Operating in this market, which is largely unorganised in India, we envisioned to organise this sector by banking on the right skill sets, with digitalisation at the very core of the solution. The award-winning innovative digital solution was an automated call allocation engine of assigning the right repair agents using artificial intelligence and machine learning algorithms

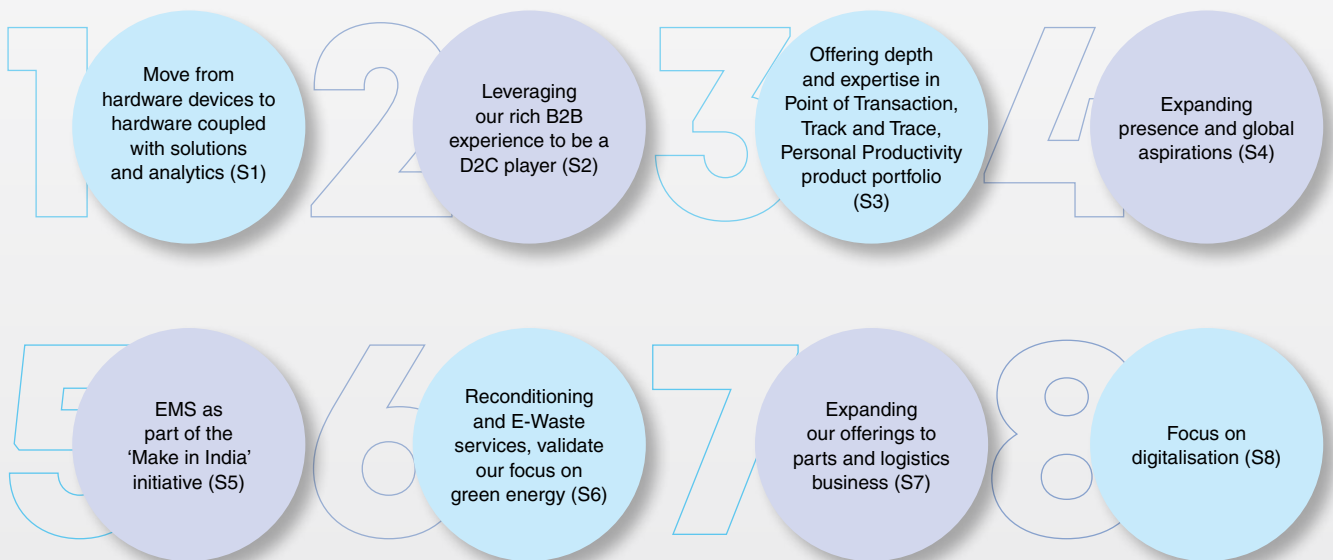


We are proud to be certified as a Great Place To Work in 2022, owing to our high employee engagement score and best people practices



STRATEGIC PRIORITIES

At TVS Electronics, we have identified certain strategic priorities to help us create long-term value for all our stakeholders, and ensure a balanced and inclusive growth trajectory. Our end goal is to emerge as a one-stop shop for end-to-end product life cycle solutions. The following strategies empower this vision:



S1: Move from hardware devices to hardware coupled with solutions and analytics

Under the purview of our first strategic priority, we strive to not only offer hardware devices but also solutions to be used in conjunction with the devices we manufacture. Originally a hardware device manufacturer, we have recently focussed on offering bundled offers of hardware devices and solutions and analytics. This not only helps us diversify our portfolio but also helps us to push up demand for our hardware devices.

During the year under review, we undertook the following measures under the purview of this strategic priority:

- Opened new office in Bangalore for our Product Management, Engineering, Solutions & Analytics team, wherein we have hired capable product managers and engineers
- Tie-ups with 3 software companies to enable us to provide bundled software solutions along with our products in the groceries, food and beverages sector

S2: Leveraging our rich B2B experience to be a D2C player

Being a hardware device manufacturer, we have been focussed only in B2B markets. Over the years, however, we have diversified our portfolio to cater to varied needs of both B2B and B2C markets. We are cognizant of the huge potential the B2C customer support service market has, and are poised to make the most of these opportunities.

During the year under review, we undertook the following measures under the purview of this strategic priority:

- We launched an on-demand service platform, namely 'Assure' to cater to lifecycle management solutions of consumer durable electronic products such as

air conditioners, refrigerators, televisions, and laptops for end customers. The services we provide on this platform range from installation to upgradation and break/fix services

- We cater directly to customers of IT and consumer products in CSS

S3: Offering depth and expertise in Point of Transaction, Track and Trace, Personal Productivity product portfolio

We have a widespread range of printing devices as part of our services arsenal. We are also diversifying our non-printing product portfolio by launching new products which cater to varied needs of both B2B and B2C customers. The non-printing product line at TVS-E comprises Point of Transaction products such as Touch POS system,

electronic cash registers, handheld devices and currency counters; Track & Trace devices such as bar code scanners, printers, and handheld devices; Security & Surveillance products such as CCTV cameras and recorders; and Personal and Productivity products such as wireless keyboards and mouse, gaming keyboards etc.

During the year under review, we undertook the following measures under the purview of this strategic priority:

- Enhancing the products portfolio by improving performance and features
- New product launches





S4: Expanding presence and global aspirations

Over the years, we have gradually expanded our presence across India. With the launch of new products and services, we have embarked on a new journey of emerging as a one-stop shop for end-to-end product life cycle solutions for both B2B and B2C markets. We have also sharpened our focus on penetrating our existing markets better, and widening our reach across new geographies.

To achieve this, we have set up walk-in stores and collection centres and partnered with service providers across the country. We have also launched an online e-commerce portal on our website.

During the year under review, we undertook the following measures under the purview of this strategic priority:

- We launched a service delivery platform (SDP) system, which is AI/ML-enabled, and is integrated with field mobility, spare parts prediction and ordering system
- 19,000+ PIN codes served in 2021-22
- 320+ Walk-in stores all over India

S5: EMS as part of the 'Make in India' initiative

As an organisation providing Electronics Manufacturing Services, we design, manufacture, sell and provide break/fix solutions for electronic components and assemblies for original equipment manufacturers (OEMs).

Following the Government of India's 'Make in India' initiative, we have

undertaken backward integration of some of our processes and replaced imports from neighbouring countries with in-house production of certain materials and components.

During the year under review, we undertook the following measures under the purview of this strategic priority.

- 2100 bps reduction in imports from neighbouring countries in 2021-22
- Products developed under 'Make in India' initiative: POS printers, barcode scanners, passbook printers, Touch POS systems, label printers, and membrane keyboards

S6: Reconditioning and E-Waste services, validate our focus on green energy

We have recently commenced electronic waste or e-waste disposal services for customers. This service undertakes responsible disposal of customers' discarded electronic devices. This venture has not only diversified our portfolio but also fortified our focus on sustainable practices.

During the year under review, we handled the following e-waste:

- Collected and recycled an extensive amount of e-waste to complete our Extended Producer Responsibility (EPR) activities

- We provided services for disposal of end-of-life (EOL) solar modules from the client's power plants across various locations in India. We disposed a significant amount of scrap solar modules through our authorised recyclers

S7: Expanding our offerings to parts and logistics business

In an endeavour to reduce our revenue dependency on printers, we have proactively targeted other downstream opportunities. The parts business and the downstream logistics sector has good headroom of growth. The parts business in India is expected to grow at a fast pace over the next few years, and we are targeting to carve a market share of 1%, which will drive our future growth. Further, the logistics sector has been increasingly using track and trace devices to ensure ease of operations, timely deliveries and minimal waiting time in plants. With the help of our consistently strengthening track and trace device portfolio, we have been able to cater to increasing demand from clients.

During the year under review, we undertook the following measures under the purview of this strategic priority:

- We have set up a strong go-to-market strategy for the parts business, wherein we have a strong business development team to onboard clients by push sales. Our second strategy is to work with large OEMs as an aggregator. Normally, OEMs are compelled to work with open market brokers for old products' spares, but owing to the limited bandwidth and reach of these brokers, supply is uncertain. OEMs, therefore prefer an aggregator, like TVS-E, who can source parts from global brands and ensure supply in the country.

We thus help to effectively bridge the demand-supply gap. The third market strategy is direct sales of spares to customers with limited technical knowledge. We therefore sell to influencers like local shops and engineers through online digital platforms and offline routes to tap into these markets.

- We have successfully set up sourcing capacities from open markets across the globe
- We have deployed a trained business development team to cater to B2B and B2C markets

S8: Focus on digitalisation

We have been cognizant of the role digitalisation and information technology play in our sector, even before the COVID-19 pandemic. We are well-versed with the concept of working remotely, and 80% of our software used to run on a SaaS model much before COVID changed the way the world works. Operating in the IT peripheral and consumer durable electronic market, we understand the importance of digitalisation. Our consistent investments in digitalisation have been further driven by the government's focus on technology.

During the year under review, we undertook the following measures under the purview of this strategic priority:

- We have launched an in-house web application for the services vertical, wherein TVS-E can add as many partners, and grow without incurring any additional costs
- We ended the perpetual licence fee with SAP, and moved onto a subscription model for the service vertical

- We have invested in artificial intelligence and machine learning during 2021-22. During the year, machine learning has been used to assign the right people with the right skillset for customer servicing to strengthen our CSS segment
- We have an enhanced partner management system, which has enabled our partners to settle their invoices of 2020-21 with more than 90% efficiency
- ₹ 175 lakhs savings attributable to service delivery platforms



LEADERSHIP TEAM

Mr. Gopal Srinivasan

Chairman

A graduate in commerce from Loyola College in Chennai, and a MBA graduate from the University of Michigan in the US, Mr. Gopal Srinivasan is the founder and Chairman of TVS Electronics. Being a passionate entrepreneur, he is actively involved in the promotion of entrepreneurship as an angel investor in association with Chennai Angels and TiE (The Indus Entrepreneurs), where he provides guidance to budding entrepreneurs on incubating businesses.

Mr Gopal Srinivasan is also the Founder, Chairman and Managing Director of TVS Capital Funds Private Limited and a third-generation member of the TVS Family. Over an entrepreneurial career spanning 30 years, he has incubated 8 companies operating in diverse sectors including technology, financial services & auto components.

He is a Governing Council member of Reserve Bank Innovation Hub (RBIH), which is a centre for idea generation and development facilitating environment stewardship, encouraging collaboration, and in turn, promoting innovation in the financial sector. He has been recently appointed as the Honorary Consul for the Kingdom of Netherlands in Tamil Nadu.

He was the Chairman of the Confederation of Indian Industry (CII) Tamil Nadu State Council in 2007-08, and the Chairman of CII National for Private Equity & Venture Capital in 2010-11.

Mrs. Srilalitha Gopal

Managing Director

M

An engineering graduate in Computer Science from IISc, Bangalore, Mrs. Srilalitha Gopal, was appointed as director in TVS Electronics on 10th November 2011 and she was subsequently appointed as Managing Director of the Company for a period of 5 years with effect from 11th May 2018. She has been at the forefront of the various strategic initiatives directed towards increasing the profitability of the Company and drive the growth initiatives of TVS Electronics. She provides active directional support to TVS Electronics in CSR initiatives.

Mrs. Srilalitha Gopal is also a director of TVS Investments Private Limited, holding Company of TVS Electronics. She is also the Managing Director of M/s Harita Techserv Private Limited (HTPL) since 2008. 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.

Mr. Lakshminarayan M

Independent Director

M C M

A postgraduate in Management studies (MMS) from Chennai, and an attendant of Harvard Business School's Advanced Management Programme, Mr. Lakshminarayan is the Independent Director at TVS Electronics.

He is a fellow member of the Institute of Cost and Management Accountants, and has a rich experience of more than three decades in the field of Infotainment System and Automotive Sector. Currently, he is the Chairman of ZF Commercial Vehicle Control Systems India Ltd, a Member of the advisory board of VOITH Industrial Services, a Member of the Board of Directors in Kirloskar Oil Engines Ltd., Sansera Engineering Limited, Suprajit Engineering Limited, ASM Technologies Limited.

He was the Managing Director of Harman International India Private Limited, a 100% subsidiary of Harman International USA from 2009 till 2017. He also had a stint at the Karnataka State and Southern Region of Confederation of Indian Industry (CII) as Chairman, and the Bangalore Chamber of Industries and Commerce as the President. He was also appointed by the government as the Chairman of the Research Advisory Board of Central Manufacturing Technology Institute, Bangalore.

Mr. M F Farooqui

Independent Director



An IAS officer and a master's degree holder in Physics and Business Administration, Mr. Farooqui acts as an Independent Director at TVS Electronics. He retired as the Secretary of Department of Telecommunications (DoT) and Chairman of Telecom Commission in June 2014. He was also the Secretary in the Department of Heavy Industry. While serving in the Government of Tamil Nadu, he played a crucial role in increasing the footprint in the industry sector as the Principal Secretary of Department of Industry. He also served as Special Secretary in the Ministry of Environment and Forests, and helped in shaping critical environmental and climate change policies in the Ministry.

During his career, Mr. Farooqui also worked as the Joint Secretary in the Department of Economic Affairs, under the Ministry of Finance. In the mid-nineties, he worked as the Consul General of India in Jeddah, Saudi Arabia. He also had a stint as the Chief Executive and Member Secretary in the Chennai Metropolitan Development Authority (CMDA).

Mr. R S Raghavan

Director



A Chartered Accountant, Cost Accountant and Company Secretary, Mr. R. S. Raghavan is the Non Executive Non Independent Director of TVS Electronics. Mr. Raghavan's experience spans corporate finance, business performance, investment, governance, mergers & acquisitions, strategy, fund raising, Investor relations, talent/people management, legal etc.,

A professional with nearly 40 years experience in the manufacturing and financial services Industry like VCPE, NBFC, Wealth management, manufacturing etc., Mr. Raghavan brings deep financial experience and significant understanding of business, risk management. Mr. Raghavan is currently the Executive Director of TVS Capital Funds Private Limited, a growth capital Private Equity firm. He is currently in the Boards of some of the group companies.

Mr. K Balakrishnan

Independent Director



A graduate in Electronics and Communication from National Institute of Technology at Surathkal, India, Mr. Balakrishnan is an Independent Director at TVS Electronics since 9th August 2018. He is the Co-Founder and CEO of a SaaS platform start-up Autonom8. He is also a Director of Acqueon Technologies Limited, which is a global Customer Experience Management (CEM) specialist. Mr. Balakrishnan brings to the table a rich experience of more than 20 years in the Customer Interaction Management (CIM) domain, with specialised expertise in Telecom and IT. With his rich knowledge and experience as the co-founder, he is an industry thought leader and enjoys successful associations with numerous large enterprises in the conceptualisation and design of their CEM programmes.



Mrs. Subhasri Sriram

Independent Director

C M

A Fellow Member of the Institute of Company Secretaries and Institute of Cost Accountants of India, Mrs. Subhasri Sriram is an Independent Director at TVS Electronics. She also holds a post graduate diploma in cyber laws. She has a professional career of more than 25 years, of which, a long stint of 19 years was at Shriram Group's Financial Services business. She was an executive director and CFO of Take Solutions Limited. The Company won the Golden Peacock award for excellence in Corporate Governance, conducted by Institute of Directors, London in the years 2017 and 2018, under her leadership.

In the span of her long career, she has handled several critical assignments related to implementing new organisational structures, improving business processes, raising several rounds of equity from marquee investors across the globe, and raising external commercial borrowings. In 2013, she won the 'Best Performing CFO in the NBFC Sector' at the 8th edition of the awards instituted by a leading business television channel CNBC TV18, and in 2016 she was chosen as one of the most influential CFOs in India by CIMA.

Mr. V Sumantran

Independent Director

M M

An alumnus of the Indian Institute of Technology, Madras, a MS from Princeton University, and Ph.D. holder in Aerospace Engineering from Virginia Tech, Mr. Sumantran is an Independent Director at TVS Electronics. He is also a Master's degree holder in Management of Technology, and a Fellow of SAE International and the Indian National Academy of Engineers. He is also a licensed pilot and possesses a FIA Racing Driver's Licence.

Mr. Sumantran is the Chairman of Celeris Technologies, Interglobe Aviation Limited and an advisor to several Fortune-100 organisations in autos, industrial equipment, defence, and aerospace sector. Previously, he has served as a Special Advisor to Mr. Carlos Ghosn, Chairman of Renault-Nissan-Mitsubishi Alliance on alliance and global strategy. He was the Executive Vice-Chairman of Hinduja Automotive in UK, and the Vice Chairman of Ashok Leyland as well. He also enjoyed a stint at Tata Motors as Chief Executive Officer in charge of the car business in its early days and directly reported Mr. Ratan Tata. He had a 16-year-long career with General Motors with R&D operations in Detroit and subsequently served on deputation in Europe as Director-R&D at GM-Europe.

He has co-authored a book, namely 'Faster, Smarter, Greener: The Future of the Car and Urban Mobility' (www.fastersmartergreener.com) which was published by the MIT Press in 2017. Mr. Sumantran has served on the Science Advisory Council of the Prime Minister of India and the Scientific Advisory Committee to the Cabinet of the Indian Government. He has also had a short stint as the Co-Chairman of the Engineering Services Division of NASSCOM.

Legend

| | |
|---|--|
| Audit Committee | |
| Stakeholder Relationship Committee | |
| Nomination Remuneration Committee | |
| Corporate Social Responsibility Committee | |

M and C represents either Member or Chairman of the specific Committee

Key managerial personnel

Mrs. Srilalitha Gopal

Managing Director

Mr. A Kulandai Vadivelu

Chief Financial Officer

Mr. K. Santosh

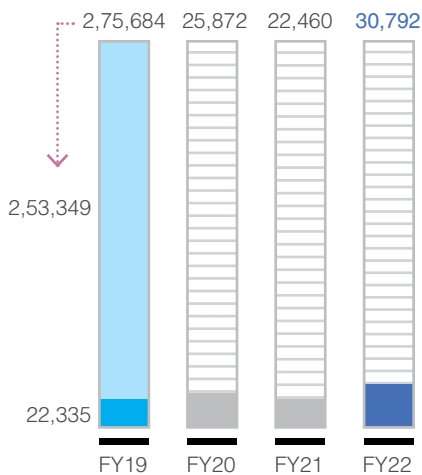
Company Secretary & Compliance Officer

KEY PERFORMANCE INDICATORS

Profit and loss indicators

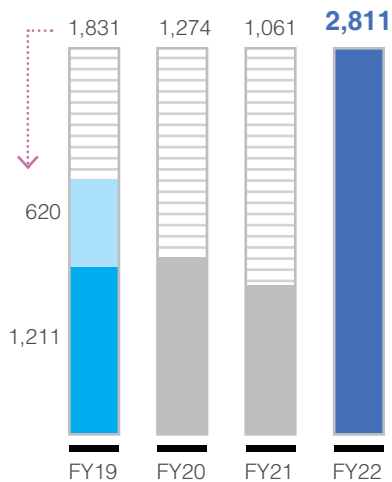
Revenues (₹ lakhs)*

4-year CAGR **8.4%**
Y-o-y **37%**



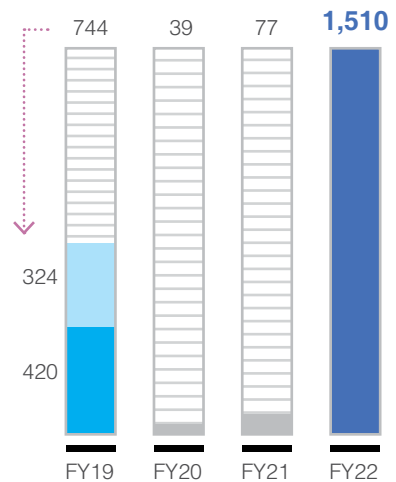
EBITDA (₹ lakhs)

4-year CAGR **23.4%**
Y-o-y **165%**



PAT (₹ lakhs)

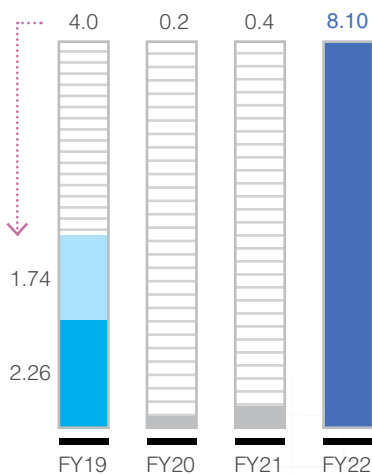
4-year CAGR **37.7%**
Y-o-y **1,861%**



* Online Distribution Business with high volume low margin was terminated from 31st July 2018.

EPS (₹)

4-year CAGR **135%**
Y-o-y **1,924%**



FY19

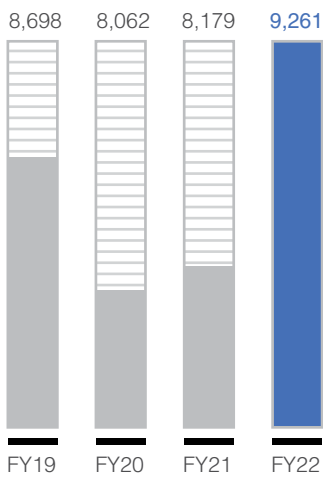
- IT Products & Technical services
- Distribution services



Balance sheet indicators

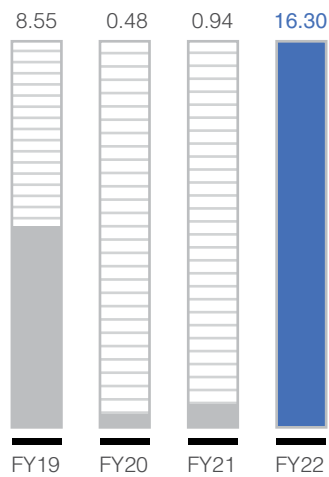
Net worth (₹ lakhs)

↑ 4-year CAGR **1.6%**
Y-o-y **13%**



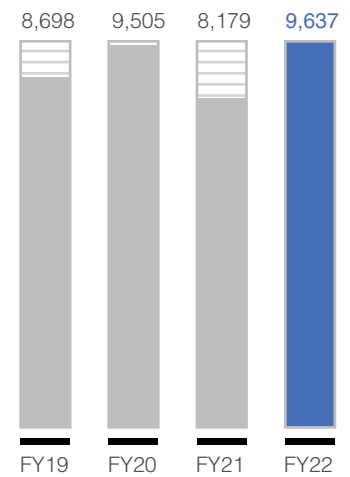
RoNW (%)

↑ Y-o-y **1,536 bps**



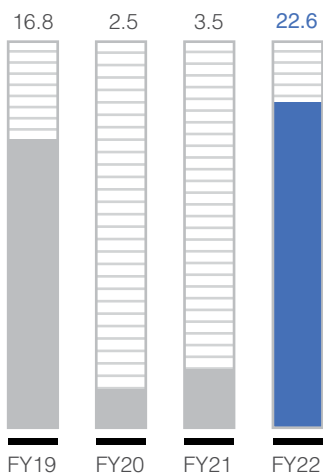
Capital employed (₹ lakhs)

↑ 4-year CAGR **2.6%**
Y-o-y **17.83%**

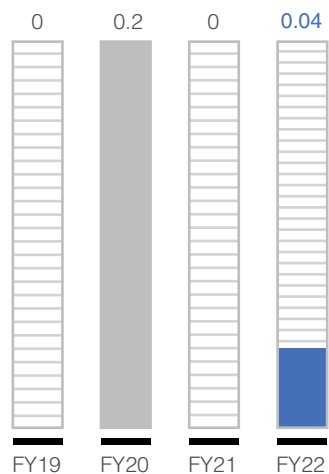


RoCE (%)

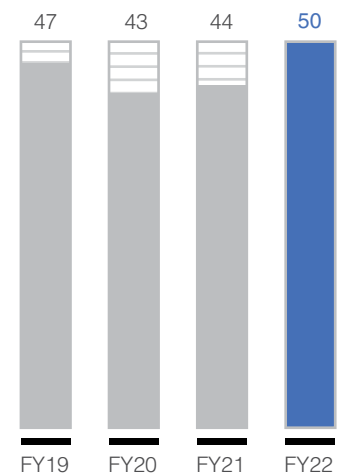
↑ Y-o-y **1,910 bps**



Debt equity ratio (X)



Book Value per share (₹)



10-YEAR HIGHLIGHTS

| 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 | 2021-22 |
| PROFIT AND LOSS ACCOUNT | | | | | | | | | | | |
| Revenue from operations | 21,661 | 23,525 | 24,742 | 27,006 | 59,349 | 2,52,316 | 4,10,890 | 2,75,684 | 25,872 | 22,460 | 30,792 |
| Other Income | 375 | 250 | 220 | 97 | 154 | 307 | 220 | 373 | 533 | 206 | 123 |
| Total Income | 22,036 | 23,775 | 24,962 | 27,103 | 59,503 | 2,52,623 | 4,11,110 | 2,76,057 | 26,405 | 22,666 | 30,915 |
| 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 | 2,810 |
| Depreciation | 504 | 619 | 566 | 697 | 860 | 593 | 446 | 368 | 1,040 | 777 | 633 |
| Profit before Interest and Tax (EBIT) | 799 | 461 | 809 | 1,009 | 1,117 | 1,154 | 2,587 | 1,463 | 234 | 284 | 2,177 |
| Finance Costs | 659 | 965 | 743 | 692 | 573 | 281 | 142 | 41 | 236 | 190 | 96 |
| PBT | 141 | (504) | 66 | 317 | 544 | 873 | 2,445 | 1,422 | (2) | 94 | 2,081 |
| Tax Expense | 1 | 297 | 26 | 88 | 113 | 240 | 821 | 678 | (41) | 17 | 571 |
| PAT | 140 | (801) | 40 | 229 | 431 | 633 | 1,624 | 744 | 39 | 77 | 1,510 |
| BALANCE SHEET | | | | | | | | | | | |
| Share Capital | 1,787 | 1,787 | 1,802 | 1,802 | 1,855 | 1,861 | 1,861 | 1,861 | 1,865 | 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 | 7,396 |
| Networth | 4,251 | 3,451 | 3,551 | 3,771 | 4,341 | 6,786 | 8,357 | 8,698 | 8,062 | 8,179 | 9,261 |
| Loan Funds | 6,608 | 6,518 | 5,796 | 5,330 | 3,466 | 2,137 | 329 | - | 1,443 | - | 376 |
| Capital Employed | 10,859 | 9,969 | 9,347 | 9,101 | 7,807 | 8,923 | 8,686 | 8,698 | 9,505 | 8,179 | 9,637 |
| Deferred Tax Liability / (Asset) | 48 | 345 | 385 | 376 | 373 | (434) | (171) | 127 | 2 | (26) | (103) |
| Total | 10,907 | 10,314 | 9,732 | 9,477 | 8,180 | 8,489 | 8,515 | 8,825 | 9,507 | 8,153 | 9,534 |
| Net Fixed Assets | 4,929 | 4,651 | 4,489 | 4,073 | 3,843 | 3,215 | 2,798 | 3,068 | 2,669 | 2,583 | 2,253 |
| Investments | 811 | 214 | 134 | 134 | 41 | 742 | 523 | 57 | 96 | 110 | 98 |
| Current Assets | 9,445 | 9,261 | 8,735 | 10,025 | 11,844 | 33,951 | 1,00,113 | 13,347 | 15,065 | 14,256 | 17,788 |
| Current Liability & Provision | 4,278 | 3,812 | 3,626 | 4,755 | 7,548 | 29,419 | 94,919 | 7,647 | 8,323 | 8,796 | 10,605 |
| Net Current Assets | 5,167 | 5,449 | 5,109 | 5,270 | 4,296 | 4,532 | 5,194 | 5,700 | 6,742 | 5,460 | 7,183 |
| Total | 10,907 | 10,314 | 9,732 | 9,477 | 8,180 | 8,489 | 8,515 | 8,825 | 9,507 | 8,153 | 9,534 |
| RATIOS | | | | | | | | | | | |
| EPS (₹) | 0.8 | (4.5) | 0.2 | 1.3 | 2.2 | 3.4 | 8.7 | 4.0 | 0.2 | 0.4 | 8.10 |
| Dividend (%) | - | - | - | - | - | 5% | 15% | 15% | 15% | - | 20% |
| Book Value per Share (₹) | 24 | 19 | 20 | 21 | 23 | 36 | 45 | 47 | 43 | 44 | 50 |
| 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% | 22.6% |
| Return on Networth (RONW %) | 3.3% | (23.2%) | 1.13% | 6.07% | 9.93% | 9.33% | 19.43% | 8.55% | 0.48% | 0.94% | 16.30% |
| Fixed Asset Turnover Ratio | 6.6 | 4.9 | 5.4 | 6.3 | 15.0 | 71.5 | 136.7 | 94.0 | 9.0 | 8.6 | 12.7 |
| Working Capital Turnover Ratio | 4.5 | 4.4 | 4.7 | 5.2 | 12.4 | 57.2 | 84.5 | 50.6 | 4.2 | 3.7 | 4.9 |
| Debt Equity Ratio | 1.6 | 1.9 | 1.6 | 1.4 | 0.8 | 0.3 | 0.0 | - | 0.2 | - | 0.0 |
| EBITDA as % of Sales | 6.0% | 4.6% | 5.6% | 6.3% | 3.3% | 0.7% | 0.7% | 0.7% | 4.9% | 4.7% | 9.1% |
| EBIT as % of Sales | 3.7% | 2.0% | 3.3% | 3.7% | 1.9% | 0.5% | 0.6% | 0.5% | 0.9% | 1.3% | 7.1% |
| 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% | 4.9% |
| 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 | - | | | | | | |



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

K Balakrishnan
Chairman

Srilalitha Gopal

V Sumantran

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

Chief Financial Officer

A Kulandai Vadivelu

Company Secretary & Compliance Officer

K Santosh

Statutory Auditors

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

Secretarial Auditors

V Suresh Associates
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.tvse.in

Investor email ID

investorservices@tvse.in

Corporate Identity Number

L30007TN1995PLC032941

Registered Office

249-A, Ambujammal Street,
Off TTK Road, Alwarpet,
Chennai - 600 018
Tel: 91-44-24679400
Email ID: contactus@tvse.in

Administrative Office

Arihant E Park, No. 117/1
9th 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

Tumakuru

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

Share Transfer Agent:

Integrated Registry Management
Service Private Limited
2nd Floor, 'Kences Towers'
No. 1, Ramakrishna Street,
North Usman Road, T Nagar,
Chennai - 600 017.
Phone: 044 - 28140801 - 803
Fax: 044 - 28142479
Email: srirams@integratedindia.in

Shares Listed at

BSE Limited
National Stock Exchange
of India Limited

MANAGEMENT DISCUSSION AND ANALYSIS

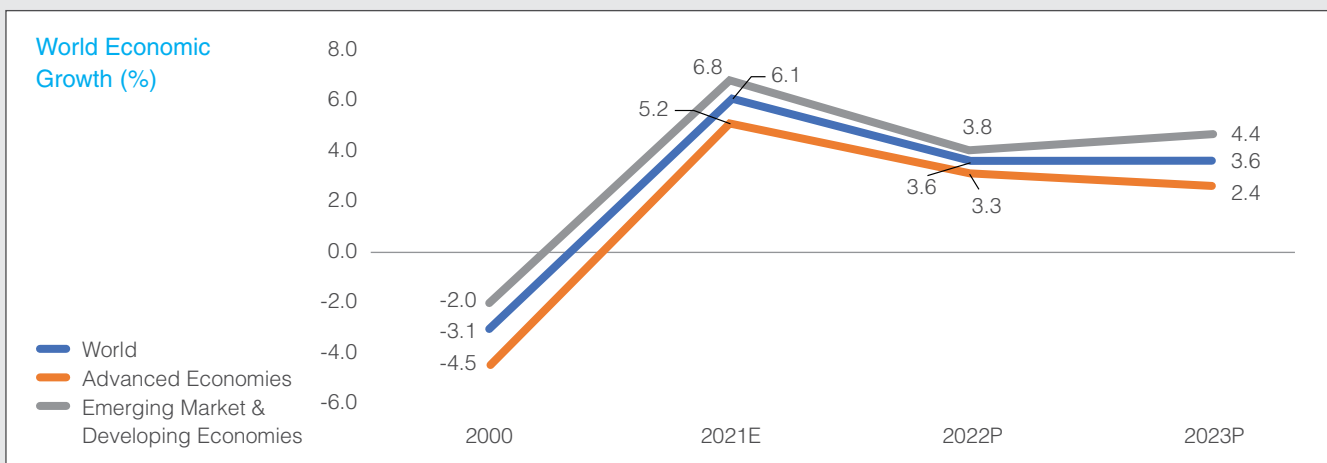
Global Economic Review

The global economy has recovered in 2021 following the disruption caused by COVID-19 in 2020. On the back of international collaboration in adapting functional health policies and efficient fiscal and monetary policies coupled with vaccinations across the globe, the global economy is estimated to grow by 6.1% in 2021, compared to a contraction of 3.1% in 2020, as stated by International Monetary Fund (IMF). The global recovery has

largely spearheaded by the emerging markets and developing economies growing its gross domestic product (GDP) at an average of 6.8% and the advanced economies growing at an average of 5.2%. The biggest contributor to the growth in advanced economies were France, Italy and UK growing at 7%, 6.6% and 7.4% respectively. Similarly, the biggest contributor to the growth of developing economies were its neighbouring

countries and India estimated to be growing at 8.1% and 8.9% respectively.

The crude prices saw a sharp increase of 36% between August 2021 and February 2022 owing to a strong demand, short-lived effects of the Omicron variant of the COVID-19 pandemic followed by the Ukraine and Russia war. The average oil price stood at US\$ 69.07 a barrel compared to US\$ 41.29 a barrel.



Source: IMF World Economic Outlook April 2022

P - Projected, E - Estimated



Outlook

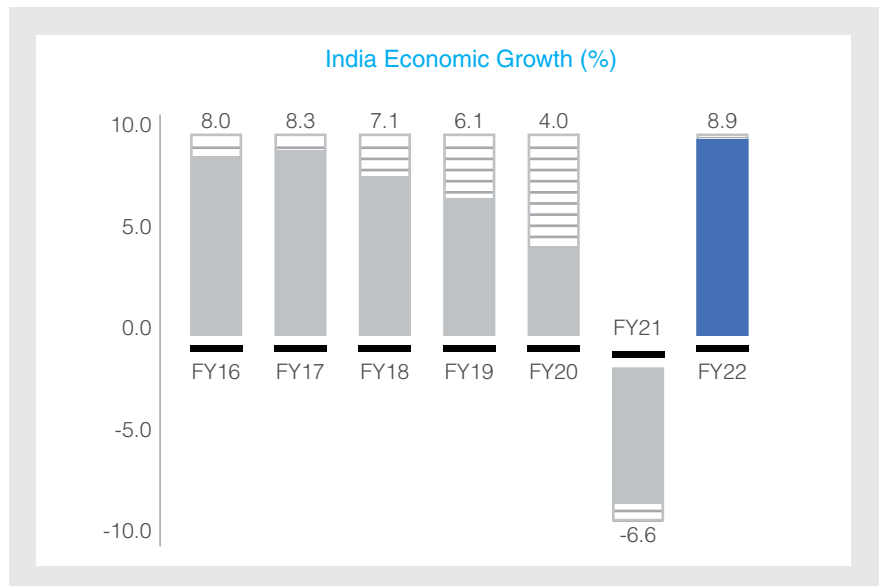
Post COVID, the global economy was on a recovery phase. However, the Ukraine and Russia war is expected to set back the recovery slightly in 2022. This has resulted in a downward revision from the WEO January forecast, to a growth of 3.6% in 2022 and 2023, with both Russia and Ukraine expected to experience large GDP contractions in 2022. The inflation is projected at 5.7% for advanced economies and 8.7% for emerging and developing economies in 2022.

International Energy Agency estimated that the global demand for oil in 2022 is expected to increase to 99.7 million barrels a day (mb/d), up 2.1 mb/d from 2021. Further, oil prices are expected to average at US\$ 106.83 a barrel and US\$ 92.63 a barrel in 2022 and 2023 respectively.

(Source: IMF)

Indian Economic Overview

Following the second wave of the COVID-19 pandemic, India's economy was well on its path to recovery, with both industry and services showing steady progress. Outbreak of new variants, supply chain disruptions, and the recent rise in inflation, have been some challenges faced by the country during the recent past. To address these difficulties, the Government increased infrastructure expenditure to not only restore medium-term demand but also enact significant supply-side reforms to position the economy for long-term growth. As per the second advance estimates of the National Statistics Organisation (NSO), Indian economy is estimated to grow at 8.9% in 2021-22 compared to a contraction of 6.6% in 2020-21. Moreover, for nine months ended 2021-22, the aggregate Index of Eight Core Industries was recorded at 12.6% (provisional) over the same period last year. Further, the impact of the third wave of the pandemic on recovery was minimal compared to the previous waves.



Source: National Statistics Office 2nd Advance Estimates dated 28th February, 2022

Outlook

Huge government funding in public infrastructure is expected to encourage growth and attract private investment through a strong multiplier effect in the industry. The availability of budgetary space to ramp up capital spending, advantages from supply-side reforms, regulatory relaxation, and continued export growth will also contribute to growth in 2022-23. As per IMF's World Economic Outlook projections, India's real GDP projected to grow at ~9% in 2021-22 and FY23 and at 7.1% in 2023-24, which would make India the fastest growing major economy in the world for all 3 years.

(Source: NSO, PIB, RBI)

Indian IT Sector Review

The information technology (IT) space is one of the biggest contributors of growth across the world, especially post the COVID-19 pandemic. In India, the IT sector contributes 8% towards the total GDP of the country. By the end of 2020-21, the IT sector employed 4.5 million people in India. Between April 2021 and February 2022, the industry added 4.5 lakh new employees, the highest-ever in a single year. Women accounted for a whopping 44% of the new employees. India is the leading sourcing destination across the world, accounting for approximately 55% market share of the global services sourcing business. India's rankings improved four places to 46th position

in the 2021 edition of the Global Innovation Index (GII). According to National Association of Software and Service Companies (NASSCOM), the Indian IT industry's revenue was estimated to stand at US\$ 227 billion in 2021-22 compared to US\$ 196 billion in 2020-21. IT spending has seen a sharp rise, and has been increasing consistently over the past few years. Post the COVID-19 pandemic, IT played a crucial role in helping the country and various companies in continued operations. Alternatively, it can be said that the pandemic has accelerated IT spending and growth not only in India but also across the globe, and acted like a growth driver. Spending on IT is expected to reach US\$ 144 billion in 2023. Post pandemic, online onboarding of employees and online trainings has gained immense traction. Currently, digitally-trained employees comprise 12% of India's workforce. Further, as stated by a survey of Amazon Web Services (2021), India is expected to have 9x more digitally-skilled workers by 2025, with the help of 3.9 billion digital skill trainings by 2025.

(Source: NASSCOM, IBEF)

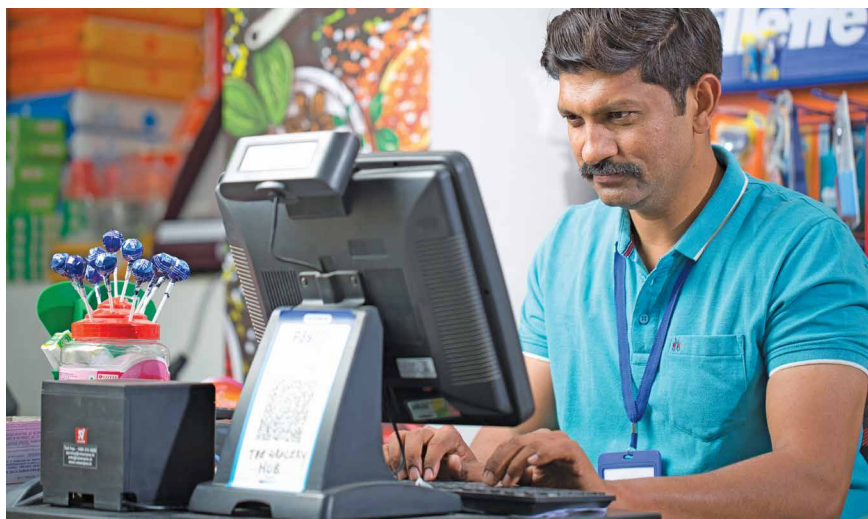
IT Peripherals Market

With the increasing adoption of 'work from home' and 'hybrid working models', the demand for laptops has seen an exponential growth over PCs in the recent past. Both desktops and laptops/notebooks have seen growth owing to the bulk buying by most corporates with the increasing adoption of digitalisation. The Indian traditional PC market includes desktops, notebooks, and workstations, which registered strong growth during 2021. According to International Data Corporation (IDC), the traditional PC market clocked y-o-y growth of a whopping 44.5% in 2021 (January to December) to reach total shipments of 14.8 million units. The notebook category emerged as the volume driver with shipments reaching as many as 11.6 million units in 2021. On the other hand, the desktop category recovered from a steep decline in 2020, to a

handsome 30% y-o-y growth. This can be attributed to strong demand from enterprises, SMB, and consumer segments. With the country heading towards normalisation, the demand for PCs saw a huge recovery in Q4 2021, clocking shipment of more than 4 million units. The demand for desktops were driven by education and VLE segments, shipping more than 8,00,000 units for the first time in 8 quarters. In Q2 2021, notebooks clocked more than 3 million units of shipment for the second quarter in a row. On the back of the huge commercial demand of PCs, this segment posted a sharp growth of 81.4% on a y-o-y basis in Q4 2021.

(Source: IDC)

On the back of the huge commercial demand for PCs, IT peripheral segment posted a sharp growth of 81.4% on a y-o-y basis in Q4 2021.



Growth drivers

- **Favourable demographics:** India is the second-most populous country in the world with a population of 1.4 billion in 2021 with a median age of 26.7 years. With a majority of the population of the country being young, India is expected to grow faster across various sectors, especially IT and IT peripherals market
- **Retail Growth:** India has ~12 million retail outlets, of which only 10 to 15% are digitised. Such outlets are expected to grow by more than 35% in the next 5 to 7 years. The growth is expected to be driven by specific categories such as consumer durables and electronics, food and groceries and quick service restaurants (QSRs), which

are forecasted to grow at 28%, 19% and 16% y-o-y, respectively. Further, the apparels and footwear category is also expected to record double-digit growth

- **Urbanisation:** India has seen an incremental growth in its urban population over the past decade. The country's urbanisation rate is expected to reach 37-38% by 2025, thereby, driving the demand of IT and IT peripherals
- **Digital India Initiative:** The IT spending by the Indian government is estimated to reach US\$ 8.3 billion in 2022, recording a y-o-y growth of 8.6%. This growth is likely to happen on the back of the fact that digitalisation has been gaining increasing traction,



and has taken a giant leap in 2020 owing to the pandemic. Migrating from legacy systems to digital would be a major reason for IT spending growth in 2022

- **Per capita income:** The per capita net national income in India is estimated to increase from ₹ 1,26,855 in 2020-21 to ₹ 1,49,848 in 2021-22, at current prices, thereby, indicating the increasing ability to spend
- **Investment destination:** The huge IT workforce of the country coupled with IT infrastructure has helped India emerge as a global investment hub. The data annotation market in India stood at US\$ 250 million in 2019-20, which is expected to grow to a substantial US\$ 7 billion by 2030 on the back of increasing domestic demand for artificial intelligence. Further, the Indian software industry is also expected to reach US\$ 100 billion by 2025. These factors are expected to drive the IT and IT peripherals market in India in the foreseeable future
- **FDI:** As stated by the Department for Promotion of Industry and Internal Trade (DPIIT), the computer software and hardware sector in India attracted cumulative foreign direct investment (FDI) worth US\$ 81.31 billion between April 2000 and December 2021, thereby, driving the sectoral growth
- **Increasing spending:** According to Gartner, IT spending in India is estimated to increase to US\$ 101.8 billion in 2022 from US\$ 81.89 billion in 2021, thereby, driving the IT and IT peripherals market
- **Government impetus:**
 - In September 2021, the Government issued Goods and Services Tax (GST) Council's clarification on intermediaries for the IT & BPM industry, simplifying the refund process
 - In Union Budget 2022-23, the Government allocated ₹ 88,567.57 crores (US\$ 11.58 billion) for the IT and telecom sector

- The Ministry of Electronics and Information and Technology (MeitY) approved 14 eligible applicants under the production linked incentive (PLI) scheme for IT hardware

(Source: IBEF, RBI)

Consumer Electronics Market

With the increasing adoption of work from home and a hybrid culture, homes have emerged as the new headquarters for day-to-day operations of each employee. Against this backdrop, consumers are looking for solutions and products which bring comfort and support in improving day-to-day lives of people. Owing to this reason, there has been a paradigm shift towards premium products promising to simplify consumers' lives. Strong demand for premium segment products such as larger screen TVs, higher capacity refrigerators and washing machines, and especially IoT and AI-enabled products, were witnessed not only from the developed metro markets but also from smaller tier-II towns. In 2021, appliances and consumer electronics industry stood at US\$ 9.84 billion in 2021, which is expected to be more than double to reach US\$ 21.18 billion by 2025. Despite the disruption caused by the second wave of the pandemic, the consumer durables output increased by 98.2% in May 2021, compared to a 70.3% decline in May 2020. The total active subscriber base of DTH in India increased from 69.57 million in March 2021 to 69.86 million in June 2021.

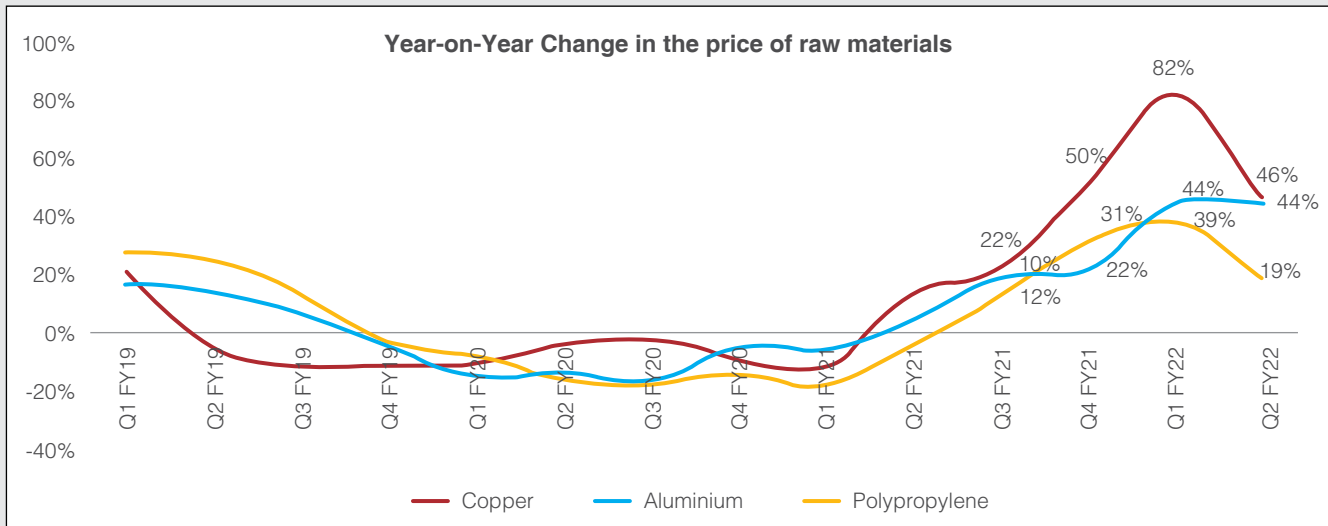
US\$ 8.3 billion

IT spending by the Indian government in 2022

The Indian consumer durables sector saw sluggish growth in 2020-21 owing to the COVID-19 pandemic, which resulted in decline in per capita income for 2020. However, with the country heading for a recovery and the economy of the country back on track, the consumer durables market in India is set for a recovery. During 2021-22, the consumer durables market is estimated to clock double digit revenue growth on the back of growth in electrical appliances (~35% of sector revenues). During the fiscal, the electrical appliances are estimated to grow twice as fast as white goods which carve the majority revenue share of 65%. Consumer electricals include fans, small kitchen and cooking appliances, and lighting products, among others. On the other hand, white goods include washing machines, televisions, refrigerator and air conditioners, among others. The refrigerator, washing machines and air conditioner market in India was estimated at US\$ 3.82 billion, US\$ 8.43 billion and US\$ 3.84 billion, respectively in 2021.

The year also saw multiple challenges such as semi-conductor shortages, fluctuation in crude prices, disruptions from 2nd and 3rd wave of pandemic and increase in input prices. This, in turn, impacted the operating profit of manufacturers.





The consumer electronics saw minor price hikes during 2021-22. However, owing to the price hikes being very nominal, it slightly impacted. Consumer electrical manufacturers hiked prices by 8-10% during 2021-22, while white goods manufacturers hiked prices by only 3-4%. This resulted in operating profitability of white goods manufacturers moderating to 6-7%, compared to 10-11% for consumer electrical makers.

Indian appliance and consumer electronics (ACE) market is expected to clock consistent growth in demand on the back of rising disposable incomes and easy access to credit. Increasing electrification of rural areas and wide usability of online sales is further expected to drive ACE demand. The Government anticipates that the Indian electronics manufacturing sector will reach US\$ 300 billion by 2024-25.

Government initiatives

- In September 2021, FICCI Electronics Manufacturing Committee announced that 52 white goods manufacturers have applied for availing PLI, proposing an investment of ~6,000 crores (US\$ 813 million) in manufacturing components for air conditioners (ACs) and LED lights. It was further announced that most of these investments are expected to happen over a span of the next 2-3 years; following which, local production for components of ACs and LED lights is expected to begin

- In July 2021, the Government approved 14 companies under the production linked incentive (PLI) scheme for IT hardware. Over a span of the next 4 years, these companies are expected to fuel total production of more than US\$ 21.64 billion
- In June 2021, the Government extended the PLI scheme for large scale electronics manufacturing by a year (until 2025-26), giving a boost to the industry
- The Indian government has been actively promoting its 'Make in India' belief, and encouraging consumer durable brands to emerge self-reliant
- 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%. Further, the Government is planning to hike FDI limit in multi-brand retail to 51%
(Source: IBEF, CRISIL)

Company Overview

Company background

TVS Electronics Limited (TVS-E) (hereafter referred to as 'the Company') is one of the frontrunners and most renowned players in the IT peripherals and consumer electronics market. Since its inception in 1986, the Company have come a long, and emerged as a one-stop shop for most products and solutions. The Company has been leveraging the legacy of TVS Group to establish its presence in two primary business verticals – products and solutions, and customer support services. We cater to the needs of lifecycle management ranging from ideating and manufacturing a product to customer support service, warranty management and end-of-life services.

Indian appliance and consumer electronics (ACE) market is expected to clock consistent growth in demand on the back of rising disposable incomes and easy access to credit.

Under the purview of Products & Solutions Group (PSG), the Company designs, manufactures, assembles, markets, sells and services various products such as Dot Matrix Printers, Thermal Receipt Printers, Label Printers, Mobile Printers, Mechanical Keyboards, Membrane Keyboards, Mouse, Barcode Scanners, Currency Counters, Surveillance Camera, Touch POS Systems, Handheld Devices, and Electronic Cash Registers among others. Under the purview of Customer Support Services (CSS) business,



the Company provides customer support service catering to both OEMs and end customer services. These services include break fix, repair engineering, installation, demo, protection plans, IT infra management, remote tech support, call centre services, and e-waste management, among others.

Technology plays a pivotal role for the Company, and the Company keeps consistently investing in technology upgradation and development of new products and services. Further, the Company also has a strong distribution network of 180 sales partners, 520 service partners, 320 walk-in-stores, helping TVS-E serve more than 19,000 pin codes in India.

Business segment review

Product & Services Group (PSG)

Under the purview of this vertical, the Company primarily provides four product categories, as follows:

- PTx – Point of Transaction products used for transactions at retail counters, such as Touch POS system, Receipt Printers, Currency counters, Electronics Cash registers, Wired Keyboards & Mouse, and Handheld Devices among others

- T&T –Track and Trace products used in warehousing, shipping & logistics and manufacturing sectors, such as Bar Code Scanners, Rugged Handheld Terminals, Label Printers
- S&S – Security & Surveillance products such as CCTV Cameras and Recorders
- P&P – Personal Productivity products such as Wireless Keyboard, Wireless Mouse, Gaming Keyboard Combo, Web Camera

We manufacture and assemble these products at our Dehradun and Tumakuru facilities. During the year under review, the Company has been sharpening its focus on strengthening its product management team, engineering capabilities, and solution offering. In order to carve out a niche in the sector, the Company planned on offering bundled offers of products and solutions to customers. In order to fortify its position in this space, the Company tied up with 3 software companies during the year under review.

Over the years, the Company has strengthened its PSG vertical on the back of continuous product innovation and portfolio diversification.

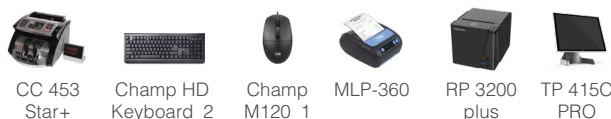
Currently, almost 65% of the Company's revenues are derived from this segment. The Company has established a strong distribution network, which coupled with the focus on expanding the team and honing capabilities and customer-centricity, has resulted in TVS-E emerging as the market leader in thermal printers the 2nd leading player in bar code printers & scanners and dot matrix printers. The customer segments TVS-E caters to, include Retail, BFSI, Warehousing, Shipping & Logistics, Transport, Railways, small offices, and homes, among others. Over the years, the product range has evolved with the evolving needs of customers.

In order to strengthen cost efficiencies and support the 'Make in India' focus of the Government, the Company has reduced imports from its neighbouring countries, from 31% in 2020-21 to 10% in 2021-22. TVS-E has either replaced these materials by domestic manufacturers or achieved backward integration to product such materials in-house, thereby, reducing external dependence and improving control on cost.

The Company has been consistently expanding its portfolio. During the year under review, the Company launched 14 new products and refreshed 8 old products, which accounted for ₹ 35 crore of revenues. Going forward, the Company has sharpened its focus on producing specific products which it is not supplying, and would help in expanding its portfolio, such as touch POS systems and handheld devices along with billing applications weighing scales, etc.

OUR PRODUCT PORTFOLIO

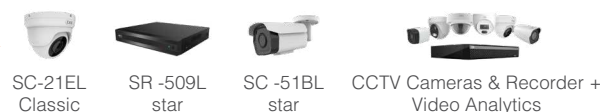
Point of Transaction Products



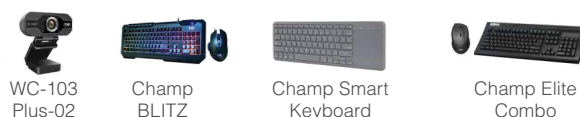
Track and Trace Products



Security & Surveillance



Personal Productivity Products



Drivers of PSG segment at TVS-E

- Continuous focus on product diversification to cater the varied needs of customers
- Brand positioning and expertise enabling growth in the segment
- Bundled offers of solutions along with products are driving demand
- Strong sales network, distribution network and internal sales team
- Focus on Make in India is driving backward integration of products which were initially imported
- Competitive pricing carving better market share
- Continuous strengthening of presence on social media and having the 'shop near me' feature on Google is enabling in end customer visibility

Customer Support Services (CSS)

Under the purview of customer support services, the Company provides 5 products categories:

- Warranty Management Services (WMS)
- Asset Maintenance Services (AMS)
- Repair Manufacturing Services (RMS)
- E-auction and E-waste
- B2C on-demand service

Under WMS, the Company provides brand warranty services on behalf of respective brands across categories ranging from IT and audio lifestyle to consumer electronics, home appliances and EDC. The Company offers a range of services from installation to breakfix for products such as laptops, refrigerators, TVs, washing machines, soundbars and speakers, retail scanners, etc. Under AMS, the Company provides maintenance and upkeep services for MSMEs and small companies for the contractual period for products such as laptops. During the

year under review, TVS-E started application management and remote management services under AMS. For both AMS and WMS, the Company provides lifecycle management services to partner-owned brands. The Company brings to the table the expertise capabilities & expertise in de-mystifying complex process, intricacies in logistics and spare parts management to provide quick services across country. The pandemic has brought forward many changes in how people perceive and operate. Post the pandemic, the hybrid work culture and digitalisation has seen extensive growth. Further, with the increasing focus on electric vehicles and solar energies, there are more opportunities set for the Company. With the large headroom of growth coupled with robust reach, enduring relationships with top brands, and capabilities of the Company, TVS-E is poised for growth. The Company's name resonates trust in the product servicing business. This helps the Company partner with the top brands, thereby bridging the gap between brands and out-of-warranty product servicing.

For RMS, the Company provides repair services for products such as PCBs and panels of TVs, in addition to refurbishment services of products selling in secondary market. Further, e-auction and e-waste services, TVS-E focusses on scrap material lying in the hands of customers. Through these services,

we help in connecting buyers and sellers for buying and selling of scraps or other materials.

Normally people always prefer brand-operated service centres owing to the trust and authenticity associated with these centres. However, when the warranty of the products end, these people get the repair work done locally most of the time or go to service centres and pay for the services. The wide range of products we deal in coupled with the pan-India reach and robust parts management, we strive to bridge this service gap, and offer on-demand service of most home appliances. We are also in the process of launching extended warranty under the purview of this service category.

During the year under review, the Company expanded its reach to 490 districts compared to 427 districts in 2020-21, and served 19,000 postal codes compared to 15,000 pin codes in 2020-21. The Company is focussed on expanding to 550 districts by the next fiscal.

The year 2021-22 saw WMS and AMS generating bulk revenues for CSS segment which was followed by e-auction services and RMS. The Company believes that the B2C segment is poised to see exponential growth in the near future owing to the sheer volumes, and might cross AMS and WMS in revenue contribution.





Drivers of CSS segment at TVS-E

- The ability to cater to the entire lifecycle management of products is driving demand of CSS vertical at TVS-E
- Expertise of working with a plethora of products lends the Company the ability to handle customer support services and end-of-life services related to such products
- The untapped gap between brand-operated service centres and local breakfix service providers is bridged by TVS-E, and owing to the niche, the market has huge potential for growth
- The integration of various services categories helps the Company emerge as a holistic service provider of lifecycle management of products, such as the integration of parts management business, repair manufacturing services and B2C on demand service
- Continuous strengthening of presence on social media and having the 'shop near me' feature on Google is enabling in end customer visibility
- The opportunities arising from the electronic vehicle (EV) market gaining traction is expected to drive the services business of CSS owing to its focus on battery swapping services and services related to charging infrastructure of EVs
- With increasing focus of India on renewable power, solar power space is another opportunity for the Company, which can help TVS-E increase its service sector revenues

Financial Overview

Financial performance

The Company's resilience in the face of the second and third wave of the pandemic during 2021-22 is the testimony to the swift measures undertaken by the Company and the strength of its business continuity plan and business model. During the year under review, the Company posted total revenues of ₹ 308 crores, of which, the majority share of 68% was carved by the PSG vertical. The Company registered a y-o-y growth of 37% over 2020-21.

The Q1 revenues were impacted owing to the second wave of the pandemic, and stood at ₹ 54 crores compared to ₹ 29 crores in Q1 2020-21. TVS-E registered fast recovery, and recorded revenues of ₹ 78 crores and ₹ 87 crores in Q2 and Q3 2021-22, up by 29% and 40% on a y-o-y basis. Again Q3 revenues for 2021-22 were slightly impacted owing to the third wave of the pandemic, and the Company's Q4 revenues stood at ₹ 88.4 crores compared to ₹ 72.4 crores in Q4 2020-21.

During the year under review, we invested ₹ 3.89 crores of capex towards various expansions to diversify the business and add economies of scale, all of which

was done through accruals.

The Company's financial prudence is reflected by the improvement in cash position. Further, to strengthen its position in the lifecycle management of products and make customers' lives easier, the Company has been increasingly investing in technology and digitalisation.

During the year under review, the net profit of the Company stood at ₹ 15.10 crore compared to ₹ 0.77 crore in 2020-21. The Company's debtor's turnover ratio is at 10 as against 6 in 2020-21, on the back of improved working capital management. The Company also improved its inventory turnover to 7 in 2021-22, on the back of reducing the order cycle time from 30 days to 15 days in most of the cases. This has, in turn, reduced the inventory carrying during the year under review. TVS-E generated cash surplus for the 2nd consecutive year, and reinvested

₹ 308 Crores Revenue

37% Y-o-Y growth in FY 2021-22

certain amount in the business and invested the rest in mutual funds. In the short term, the Company is generating returns for shareholders, and in the long term, the Company is generating superior growth for its shareholders.

There has been no change in the business of the Company during the Financial Year ended 31st March, 2022.

Business Outlook

Post the COVID-conundrum, the way people operate have seen a paradigm shift in preferences. Technology and digitalisation have been the biggest contributor towards this, and has



₹ 15.10 Crores

Net Profit in FY 2021-22 as compared to ₹ 0.77 crore in 2020-21

enabled the continuity of operations at a country-level. Hybrid work culture is one such change that has brought forth immense opportunities for the IT and IT peripherals market. Against the backdrop of this paradigm shift, the IT and IT peripheral market is poised for substantial growth in the foreseeable future. TVS-E is aware of these opportunities and has been actively diversifying its product and service suite to position itself to make the most of these tailwinds.

In its parts business, the Company has changed its approach, and focussed on catering to the needs of spare parts for end customers. Owing to the huge overhead cost incurred by OEMs, their sale price of the spare parts to the end customer is very high. Hence, majority of customers opt for locally available parts which are cheap but are substandard in quality. The Company intends to bridge this gap, by importing parts from global partners, and provide parts to customer with warranty at reasonable costs. During 2021-22, the Company forayed into the assure business, which is an on-demand service platform by TVS-E. The Company services consumer durables such as refrigerators, television, laptops, among others. The on-demand service provided under the purview of 'Assure' includes

The Company intends to procure parts from global partners, and provide Customers with warranty at reasonable costs.

Significant financial ratios

| Particulars | 2021-22 | 2020-21 |
|------------------------------|---------|---------|
| Current ratio | 1.39 | 1.28 |
| Debt equity ratio (x) | 0.04 | - |
| Operating profit margin (%) | 6.91 | 0.92 |
| Net profit margin (%) | 4.90 | 0.34 |
| Return on net worth (%) | 16.30 | 0.94 |
| Debtors turnover ratio (x) | 9.80 | 6 |
| Inventory turnover ratio (x) | 7.34 | 3 |
| Interest coverage ratio | 22.68 | 1.5 |

x-times

As outlined in the earlier portions, the improved performance of our Business Units has resulted in significant increase in our profits for the year. Also, the disturbances on account of COVID had reduced during FY'22 as compared to previous year. Our revenues, profits and the profitability ratios have improved due to these. The profit before tax for FY'22 was ₹ 20.82 crores as against ₹ 0.94 crore in FY'21. This in turn contributed to the networth (total equity) of the company which stood at ₹ 92.61 crores from ₹ 81.79 crores at beginning of the year, which has helped improve our networth ratio.

installation, upgradation, servicing and break fix. Currently, the Company is present in 3 cities.

The PSG segment is expected to continue its growth trajectory on the back of focus of the Company on providing bundled offers of solutions along with products, and tapping into new emerging opportunities in electric vehicles and rooftop solar power sector. Further, on the back of increasing customer visibility, the B2C business is expected to drive the growth of CSS vertical for the Company in the near future.

Internal Control

The Company has a robust internal financial controls system, in all material respects, for proper financial reporting. During 2021-22, the Company was operating effectively based on 'the internal control with reference to financial statements 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'.



The senior management ensures effective internal control system is in place and adheres to all applicable laws and regulations. The internal control system ensures safeguarding of assets, reliability and accuracy of financial reporting and prevention of fraud and errors. All Company transactions are recorded in accordance with the Indian Accounting Standard (Ind-AS) in keeping with the accounting policies.

Risk Management

Risk Management is an integral part of the Company's strategy and planning process. Based on proactive identification of risks, action plans are devised to mitigate the risks that could materially impact the Company's long-term sustainability. The Risk Management Committee of the Company is tasked with the identifying and mitigating risks. The Committee reports to the Board of Directors who sit at the apex of the corporate governance framework.



TVS-E Digital

IT has always played a pivotal role in our day-to-day operations and growth strategies. Even before the pandemic, the Company always had

the concept of working remotely, with 80% of the software the Company works on running on a SAS model. The services vertical runs on an in-house web application wherein

Some of the risks identified and mitigated by the Company during the year under review are as follows:

| Risk | Description | Mitigation |
|---------------------------|---|---|
| Import Risk | Dependence on neighbouring countries for raw materials and parts would impact operational continuity, in case of trade disruption, especially post the COVID-conundrum. | The Company monitors such risks on a continual basis, and has focussed on substituting certain materials that it used to import from its neighbouring countries by way of backward integration or sourcing from alternate suppliers within the country. The Company reduced imports from its neighbouring countries from 31% in 2020-21 to 10% in 2021-22. |
| Technology Risk | The inability to stay up-to-date with the changing technologies and latest trends is detrimental to the business. | The Company has been continuously investing in the ever-changing technologies, and trying to service its customers with the products which are ahead of the curve. |
| Cybersecurity Risk | Network failure and data breaches can impact the operations of the Company extensively. | The Company had a strong intrusion prevention system in place, which coupled with the robust risk management framework of the Company ensures that TVS-E is protected against cyber security threats. The Company also has covered this risk under appropriate insurance. |
| Raw Material Risk | The increasing price of raw materials can impact the profitability of the Company. | The fluctuating crude and steel prices and the challenges from semi-conductor shortage has impacted raw materials cost for the Company. However, the Company has improved its cost efficiencies on other fronts by reducing import dependence, backward integration and in-house production of materials to set off the cost implication from rising material prices. |

the Company can add as many partners, and grow without incurring any additional costs. During the year under review, the Company focussed on strengthening in IT backbone by investing on artificial intelligence and machine learning. The Company leverages machine learning to assign the right people with the right skillset for customer servicing. During the year under review, we did away with the perpetual licence fee with SAP, and moved onto a subscription model for service vertical of the Company. Further, on the back of consistent investments in IT, and continually strengthening its IT backbone, the Company is expected to grow and diversify its business successfully in the long run.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) activities have been embedded in the value system of the Company for many decades. We continue to focus on area like “Kids of Future (Education support for Children), health & hygiene, culture & heritage and actively participate to support our communities whenever there are specific needs.

This year we joined hands with the local Government authorities and organised 7 “COVID” vaccinations camps in Thiruvadanthai and surrounding areas (Terakapattu, Nemmeli). This program was led by our Company Doctor & with the



support of our Employees we encouraged more people in remote villages to take their first and second vaccinations over a period of 3 months that benefited 1,460 people.

We also donated 15 numbers of oxygen concentrators to Siddha Ganga Mutt, at Tumakuru to support the COVID-infected people.

During the year under review, we continued to support the adoption of 201 students of Siddha Ganga Mutt at Tumakuru and also extended Scholarship for 4 Children. Our Women Employees in Chennai spent their day with the children in Government Primary school and conducted drawing competition to encourage creative thinking. The Company also extended its support in providing nutrition to the children visiting Anganwadi in Tumakuru, Karnataka.

Human Resources

The Company believes that its employees are its biggest assets, and strives to foster a culture of inclusive growth for its employees. It manages its broad talent pool by providing a nurturing atmosphere, benchmarked compensation, rapid merit-based career growth, and best-in-class people policies. The Company’s employee value offer is based on a long-standing culture of high-performance, efficiency, safety, and integrity. The Company prioritised staff health and well-being during the COVID-19 pandemic. Simultaneously, it also took swift measures to enable an efficient work-from-home model, which saw the rapid adoption of systems and tools, in keeping with its main cultural pillars of flexibility and adaptability. Continual training in order to acquire new skills and competencies as well as regular engagement is a part of the human capital focus of the Company.





TVS Electronics Limited got certified as 'Great Place to Work' in 2022, owing to its high employee engagement score and best people practices.

In order to train its employees, the Company undertakes the following measures:

- New joiners undergo Induction and POSH eLearning module on the Learning Management System (LMS)
- The learning and development team shares the Training Needs Identification (TNI) form for all existing employees with their respective managers at the start of the year. On the basis of the TNI form, the Company conducts various training methods on a blended module which includes LMS eLearning, virtual trainings, Kindle books, coaching, mentoring, and leadership speak, among others
- Apart from TNI, the employees are also assigned with functional and behavioural skills training through a blended module comprising virtual trainings, Kindle Udemy courses, coaching, and mentoring, among others
- Leadership team will have a dedicated coaching programme with external consultants and MDP programmes on the basis of their 360 degree feedback
- The agents of the Company (partner agents and TBA) are trained through induction, refresher,



cross-skill and multi-skill training across the country. Further, the Company also has a LMS for its agents, namely 'Ekalavya' where agents are indulged in technical-based video training

- Further, the Company also provides safety training to its employees which include:
 - Hazard identification and handling training
 - Firefighting equipment training
 - Emergency SOP training

Key employee engagement measures undertaken by the Company are as follows:

- Health awareness sessions, wherein the Company inculcates the importance of various health and hygiene in its employees across the country on a monthly basis

- Minimum of 2 fun activities for its employees on a quarterly basis
- Skip level meeting on a monthly basis
- Women's forum meet on a quarterly basis
- Townhall across various business units on a quarterly basis

Further, the Company also conducts regular health checkups in-house or through Hospitals as appropriate for its employees.

Cautionary Statement

Certain statements in the management discussion and analysis may be forward-looking in nature within the meaning of applicable securities law and regulations. Actual results may differ materially from those projected or implied. These statements refer to TVS Electronics Limited's growth strategy, financial results, product potential and development programmes based on certain assumptions and expectation of future event. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on subsequent developments, information of events.



NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Company will be held on Wednesday, 29th June, 2022 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 31st March, 2022, along with the report of the Board of Directors and Auditors thereon:**

To consider and if thought fit to pass with or without modification(s) 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 31st March, 2022, 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 if thought fit to pass with or without modification(s) 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."

3. **To Appoint M/s Guru & Jana, Chartered Accountants (FRN: 006826S) as Statutory Auditors for the First term of five consecutive years:**

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

"RESOLVED THAT pursuant to Section 139(2) and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, M/s Guru & Jana, Chartered Accountants (FRN: 006826S) be and are hereby appointed as Statutory Auditors of the Company, in the place of M/s. Deloitte Haskins and Sells, Chartered Accountants, Chennai (FRN: 008072S) whose tenure expires at the conclusion of the 27th Annual General Meeting.

RESOLVED FURTHER THAT pursuant to Section 139, 143(1) of Companies act 2013 read with rules made thereunder, and other applicable provisions, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s Guru & Jana, Chartered Accountants (FRN: 006826S) will hold office as the Statutory Auditors, for their first term of five years, from the conclusion of 27th Annual General Meeting to the conclusion of the 32nd Annual General Meeting of the Company, at a remuneration of ₹15 Lakhs per annum plus reimbursement of out of pocket expenses and other applicable taxes."

SPECIAL BUSINESS

4. **To ratify the remuneration payable to the Cost Auditor for the Financial Year ending 31st March, 2023:**

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 2022-23 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".

5. **To approve increase in remuneration of Mrs. Srilalitha Gopal, Managing Director of the Company.**

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

"RESOLVED THAT pursuant to the provisions of Sections 196 and 197 of the Companies Act, 2013, (the 'Act') Schedule V thereto, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any amendment(s) thereto or re-enactment thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), and such other provisions as may be applicable and based on the recommendation of Nomination & Remuneration Committee and approval by the Board of Directors, subject to such approvals of Regulatory Authority(ies), if needed, consent of the members be and is hereby accorded to increase the remuneration of Mrs Srilalitha Gopal (DIN: 02329790), Managing Director from ₹ 1.5 Crores p.a. to ₹ 2.00 Crores p.a., as set out below with effect from 11th May 2022 up to 10th May 2023.



| Particulars of Remuneration | Annual Remuneration (₹ In Lakhs) |
|---|-------------------------------------|
| Salary (Including Allowances & Perquisites) | 125 |
| Variable pay (paid annually) | 75 |
| Total remuneration | 200 |

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.
2. She will also be eligible for:
 - 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.
 - b. Company owned IT and communication equipment including maintenance and subscription thereof, shall be borne by the Company

RESOLVED FURTHER THAT the perquisites to be extended to her as part of the remuneration package be evaluated at actual cost to the Company and where it is not possible to ascertain actual cost, such perquisites shall be evaluated as per Income-tax Rules, 1962 in force or as amended from time to time.

RESOLVED FURTHER THAT Mrs. Srilalitha Gopal will not be entitled to any sitting fees for attending the meetings of the Board or Committees thereof, unless otherwise decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the approval of the Company be and is hereby accorded to enable the Board of Directors, based on specific recommendation(s) of the Nomination and Remuneration Committee, to enhance, enlarge, widen, alter or vary the scope, quantum and components of her remuneration specified hereinabove, in light of and in conformity with the relevant provisions of the Companies Act 2013 / Income Tax Act 1961 and/or the rules and regulations made there under and/or such guidelines, as may be announced by the Central Government or regulatory authority, from time to time.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profit for the financial year 2022-23, the remuneration as may be approved by the Board of Directors based on the recommendation of Nomination and Remuneration Committee, subject to not exceeding ₹ 2 Crores p.a., shall be paid as minimum remuneration along with other eligibility as set out above in para 2 (a) and 2(b).

RESOLVED FURTHER THAT save and except as aforesaid, all other existing terms and conditions of appointment of Mrs. Srilalitha Gopal passed at the 23rd Annual General Meeting shall continue to remain in full force and effect.

RESOLVED FURTHER THAT the Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things 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
14th May 2022

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, 19/2021, 21/2021 and 2/2022 dated 8th April 2020, 13th April 2020, 5th May 2020, 13th January 2021, 8th December 2021, 14th December 2021 and 5th May 2022 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 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 12th May 2020, 15th January 2021 and 13th May 2022 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 27th Annual General Meeting (“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.
3. Members may join the 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 AGM and the Company may close the window for joining the VC/OAVM Facility 30 minutes after the scheduled time to start the AGM.
4. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 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, 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 2021-22 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 2021-22 will also be available on the Company's website www.tvse.in, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsdl.com>. The member 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. 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 8th April, 2020, 13th April, 2020, 5th May, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and 5th May 2022 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 during the proceedings 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 14th August, 2019 to 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 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 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).

11. The Members may note that on account of the amendment made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company shall not entertain the request for registration of physical transfer of shares on or after 31st 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.
12. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form.
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 through form ISR 1 available at the website of the Company <https://www.tvse.in/investor-relations/>
14. Members holding shares in electronic form are requested to advice 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. The Notice of the Annual General Meeting and the Annual Report will be available on the Company's website www.tvse.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 on or before 28th June, 2022 till 5.00 pm, and Company will provide such documents through email.
17. 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.
18. 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.
19. SEBI vide its circulars No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 and No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 on Common and Simplified Norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination and such other requests for all shareholders holding physical securities. The relevant Forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our RTA's website at https://www.integratedindia.in/Corporate_Container.aspx. click the link and go to "RTA/STA" and then download the forms. The aforesaid forms are also available in Company's Website at <https://www.tvse.in/investor-relations>

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 to tvseagm@tvs-e.in. Questions / queries received by the Company till **5.00 p.m. on Friday, 24th June, 2022** 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 e-mail address mentioning their Name, DP ID and client ID/ folio number, PAN, mobile number and No. of shares held to tvseagm@tvs-e.in **from 20th June, 2022 (9.00 a.m. IST) to 24th June, 2022 (5.00 p.m. IST)**. Those Members who have registered themselves as a speaker 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 - 1800-222-990, 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 27th 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., **Wednesday, 22nd June, 2022**. 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 AGM in a fair and transparent manner.
- (d) **The instructions for remote e-voting are as under:**

The remote e-voting period commences on Sunday, 26th June 2022 at 10.00 a.m. and ends on Tuesday, 28th June, 2022 at 5.00 p.m. During this period, members holding shares as on **Wednesday, 22nd June, 2022** 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 22nd June, 2022 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 22nd June, 2022 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 , corpserv@integratedindia.in or Member may send an e-mail request to 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. | <ol style="list-style-type: none"> Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ Section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL 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 & voting during the meeting. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 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. 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. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. 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. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> |

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in demat mode with CDSL | <ol style="list-style-type: none"> 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress. |
| 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 evoting@nsdl.co.in 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

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.

- 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.
- 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, 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 :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| 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

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- 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.
- How to retrieve your 'initial password'?
 - 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'.
 - 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:

- 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.
- Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- If you are still unable to get the password by aforesaid two options, you can send a request at 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.

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. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. 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 with a copy marked to evoting@nsdl.co.in and srirams@integratedindia.in, corpserv@integratedindia.in, investorservices@tvs-e.in. Institutional members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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 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 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

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 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.
- (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.

If you are an Individual shareholders 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.**

- (c) Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.



- (d) In terms of SEBI circular dated 9th December, 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.
- (e) 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.
- (f) 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 2 working days from the conclusion of the AGM.
- (g) 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.tvs-e.in and on the website of the NSDL and also communicated to the Stock Exchanges.
- (h) In case of any queries, members may contact the Company at investorservices@tvs-e.in, or srirams@integratedindia.in, 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 casted 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 as per Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking reappointment at this AGM 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

Chennai
14th May 2022

Srilalitha Gopal
Managing Director
DIN: 02329790

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

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 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India.

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

Item 3:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

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

As part of the best practices followed in order to rotate the auditors, the Board of Directors of the Company at its meeting held on 14th May, 2022, based on the recommendation of the Audit Committee, evaluated the profiles of few audit firms, including the eligibility & independence criteria and proposed the appointment of M/s Guru & Jana, Chartered Accountants, Bangalore (FRN: 006826S) as the Statutory Auditors of the Company to hold the office for the First term of 5 consecutive years from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting at a remuneration of ₹ 15 Lakhs per annum, plus reimbursement of out of pocket expenses and other applicable taxes. There is no increase in the fee payable to the proposed auditor from that paid to the outgoing auditor.

The Company has received consent letter and eligibility certificate from M/s Guru & Jana, Chartered Accountants (FRN: 006826S) to act as statutory auditors of the Company along with the confirmation that, their appointment, if made, shall be in accordance with the conditions as may be prescribed under the Companies Act 2013.

Brief Profile of M/s. Guru & Jana, Chartered Accountants:

M/s. Guru & Jana , Chartered Accountants ('the firm ') was founded in 2003 as a partnership firm having Firm Registration No. as 006826S. M/s. Guru & Jana is headquartered at No 41, Patalamma Temple Street, Near South End Circle, Basavanagudi, Bangalore 560004 and with branch offices at Hyderabad, Pune and Mysore.

M/s. Guru & Jana provides umbrella of services which includes Audit & Assurance, Tax and Regulatory, Corporate Law and Consulting. M/s Guru & Jana, is spearheaded by a management team of 12 partners and has over 400 staff including 96 professionals.

M/s Guru & Jana, embarked on an exceptional journey to be amongst the 'Top 20 CA Firms in India' by 2020 & has not looked back since. Global Thought Leadership Awardee in 2015 & being 'First in a Billion' in 2013 as premier tax return filers of the year across country, M/s Guru & Jana has built a strong culture of authenticity & accountability.

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 No. 4:

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on 14th May, 2022, 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 2022-23. 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.4 of the Notice for approval by the members.

Item No. 5:

Mrs. Srilalitha Gopal, was appointed as director on 10th November 2011 and subsequently she was appointed as Managing director of the Company for a period of 5 Years with effect from 11th May 2018 on a remuneration of ₹ 1.5 Crores p.a.



Under the leadership of Mrs. Srilalitha Gopal, Managing Director, the Company has strengthened its Products & Solutions vertical on the back of continuous product innovation and portfolio diversification and also expanded the reach of its Customer Support Services vertical to 490 districts covering around 19000 pin codes. During the outbreak of Covid-19 pandemic, the Company proactively framed business continuity plan to ensure production and continuity of Customer Support Services. Given the importance of the cash flow, the Company developed a robust treasury plan for cash management and took various initiatives to manage & expedite receivables and optimize the inventory holding to manage working capital requirement which has helped the Company to increase its cash position from ₹ 2402 lakhs (FY 2020-21) to ₹4400 lakhs (FY 2021-22).

The Company's resilience in the face of the second and third wave of the pandemic during the FY 2021-22 is the testimony to the swift measures undertaken by the Company and the strength of its business continuity plan and business model. During the year, the Company recorded revenue of ₹30,792 lakhs for the FY 2021-22 as compared to 22,460 lakhs in FY 2020-21 and posted PBT of ₹ 2082 lakhs in FY 2021-22 as compared to ₹94 lakhs in FY 2020-21. This in turn increased the EPS as ₹8.10 for the FY 2021-22 as compared to ₹0.41 for the FY 2020-21. Considering the results, the Company has already declared an interim dividend @ 20%. Further, the Company has recruited new talents and has a strong training and development system to gear up for growth.

Considering the contribution of Mrs Srilalitha Gopal and the progress made by the Company under her leadership and guidance, based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 14th May 2022 approved to increase the remuneration of Mrs. Srilalitha Gopal from ₹ 1.5 Crores p.a. to ₹ 2 Crores p.a. with effect from 11th May 2022 up to 10th May 2023, subject to the approval of shareholders in the 27th Annual General Meeting. All other existing terms and conditions of appointment of Mrs. Srilalitha Gopal passed at the 23rd Annual General Meeting shall continue to remain in full force and effect.

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 Mrs. Srilalitha Gopal and Mr. Gopal Srinivasan, Chairman of the Company (spouse).

The Board of Directors recommends the special resolution as set out at item no. 5 of the Notice for approval by the members.

By Order of the Board

Srilalitha Gopal
Managing Director
DIN: 02329790

Chennai
14th May 2022

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 66 years, a Chartered Accountant, Cost Accountant and Company Secretary, Mr. Raghavan is the Non Executive Non Independent Director of TVS Electronics since 4th May 2016.

Raghavan's experience spans corporate finance, business performance, investment, governance, mergers & acquisitions, strategy, fund raising, Investor relations, talent/people management, legal etc.,

A professional with nearly 40 years experience in the manufacturing and financial services Industry like VCPE, NBFC, Wealth management, manufacturing etc., Raghavan brings deep financial experience and significant understanding of business, risk management.

Raghavan is currently the Executive Director of TVS Capital Funds Private Limited, a growth capital Private Equity firm. He is currently in the Boards of some of the group companies. He does not hold any Equity Shares in the Company and has attended all the seven Board Meetings held during the year 2021-22.

He is not related to any of the Directors of the Company. He is not in the Board of any other listed entity. He will be eligible for sitting fee for attending the Board and Committee meetings.

The other directorships / Committee memberships and key managerial positions held by him are 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 | Director | - |
| 2 | TVS Capital Funds Private Limited | Company Secretary | - |
| 3 | Chennai Business Consulting Services Private Limited | Director | 1. Audit Committee 2. Remuneration Committee 3. Stakeholders Relationship committee |
| 4 | TVS Electronics Limited | Director | 1. Audit Committee 2. Corporate Social Responsibility Committee |
| 5 | International Money Matters Private Limited | Director | - |

2. Mrs. Srilalitha Gopal (DIN: 02329790)

Mrs. Srilalitha Gopal, aged 55 years, is an Engineering Graduate in Computer Science from IISc, Bengaluru, has been a Director from 10th November 2011. Subsequently, she was appointed as Managing Director of the Company with effect from 11th May 2018.

She is the Managing Director of Harita Techserv Private Limited (HTPL) and has an overall experience of 14 years. 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.

Mrs. Srilalitha Gopal does not hold any Equity Shares in the Company and has attended all the seven Board Meetings held during the year 2021-22.

She is the spouse of Mr. Gopal Srinivasan, Chairman of the Company. She is not in 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 (Formerly Known as Geeyes Family Holdings Private Limited) | Director and Member | - |
| 4. | Harita Srinivasan Private Limited | Member | - |
| 5. | NextWealth Entrepreneurs Private Limited | Member | - |
| 6. | Sundharams Private Limited | Member | - |

STATEMENT OF INFORMATION REQUIRED UNDER SECTION II, PART II OF SCHEDULE V OF THE COMPANIES ACT, 2013, AND FORMING PART OF EXPLANATORY STATEMENT

| I GENERAL INFORMATION | | | | |
|---|---|---|------------------|------------------|
| 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 | Financial performance based on given Indicators | ₹ In Lakhs | | |
| | | 2019-2020 | 2020-2021 | 2021-2022 |
| | Gross income | 25,872 | 22,460 | 30,792 |
| | Capital employed | 9,505 | 8,179 | 9,261 |
| | Net worth | 8,062 | 8,179 | 9,261 |
| | Profit/(Loss) Before tax | (2) | 94 | 2,082 |
| | Profit/(Loss) After tax | 39 | 77 | 1,510 |
| | Dividends | 673 | - | 373 |
| 5 | Foreign investments or collaboration, if any | The Company has no foreign investments or collaborations | | |
| II INFORMATION ABOUT THE APPOINTEE | | | | |
| 1 | Background Details | 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 th November 2011. She is the Managing Director of Harita Techserv Private Limited, a design engineering and skilled technical engineering resources Company since 2008. | | |
| 2 | Past remuneration | She has drawn in the year 2018-19 ₹131.80 lakhs, in 2019-20 ₹ 139.81 lakhs, in 2020-21 ₹89.02* lakhs, in 2021-22 ₹ 139.51 lakhs as remuneration. * Voluntarily waived variable pay, payable in FY 2020-21. | | |
| 3 | Recognition or awards | | | |
| 4 | Job profile and her suitability | <p>Job Profile:</p> <p>As the Managing Director, she is entrusted with substantial powers of managing the company affairs:</p> <p>Suitability:</p> <ol style="list-style-type: none"> Her qualification as the Engineering graduate in computer science. Her active association as a Director of the Company for nearly 11 years. 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. Her contribution as a member of Stakeholders relationship Committee Her experience as Managing Director of Harita Techserv Private Limited over the past 14 years. Her directional support in the governance process. | | |



| | | | |
|-----|---|--|---|
| 5 | Remuneration proposed: By way of salary, allowances and perquisites and Variable pay, etc | Particulars of Remuneration | Annual Remuneration (₹ In Lakhs) |
| | | Salary (Including allowances and perquisites) | 125 |
| | | Variable pay (paid annually) | 75 |
| | | Total | 200 |
| | | <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 | 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) | Considering the responsibility shouldered by her and the progress made by the Company under her strategic leadership and guidance, the remuneration proposed is comparable to that drawn by the peers in the similar capacity in the industry and is commensurate with the size of the Company and diverse nature of its businesses and also is in line with the Company's remuneration policy. | |
| 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | Apart from the remuneration and perquisites paid to Mrs. Srilalitha Gopal as Managing Director as stated above and Mr. Gopal Srinivasan, Chairman being the spouse, she does not have any pecuniary relationship with the Company and its managerial personnel. Mr. Gopal Srinivasan has become promoter of the Company with effect from 4 th February, 2022 and indirectly holds 59.84% of the shareholding of the Company through TVS Investments Private Limited. | |
| III | Other information | | |
| 1 | Reasons for loss or inadequate profits | 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 10 th May, 2023. | |
| 2 | Steps taken or proposed to be taken for Improvement | Company is continuously taking steps to improve the profitability. | |
| 3 | Expected increase in productivity and profit in measurable terms | The Company expects to maintain the growth rate. | |

BOARD'S REPORT

to the Shareholders

Your Directors have pleasure in presenting the 27th Annual Report of your Company for the financial year ended 31st March 2022.

Financial Results

The financial performance of the Company for the year ended 31st March 2022 is summarized below. The financial statements for the year have been prepared in accordance with the mandatory accounting standards (Ind AS).

Standalone

| Particulars | ₹ in Lakhs | |
|---|---|---|
| | Year ended 31 st March 2022 | Year ended 31 st March 2021 |
| Revenue from operations | 30,792 | 22,460 |
| Profit/ (Loss) Before Tax (PBT) and exceptional items | 2033 | 94 |
| Exceptional items / Extra-ordinary Items | 49 | - |
| Profit / (Loss) Before Tax | 2082 | 94 |
| Profit / (Loss) After Tax (PAT) | 1,510 | 77 |
| Add: Brought forward from previous year | 4,285 | 4,178 |
| Add/(Less): Other | (47) | 30 |
| Comprehensive Income for the year (net of Income Tax) | | |
| Less: Dividend on equity shares (incl. taxes) | (373) | - |
| Retained earnings | 5,375 | 4,285 |

Company's performance

The Company's resilience in the face of the second and third wave of the pandemic during 2021-22 is the testimony to the swift measures undertaken by the Company and the strength of its business continuity plan and business model. During the year under review, the Company posted total revenues of ₹ 308 crores, of which, the majority share of 68% was carved by the PSG vertical. The Company registered a y-o-y growth of 37% over 2020-21.

The Q1 revenues were impacted owing to the second wave of the pandemic, and stood at ₹ 54 crores compared to ₹ 29 crores in Q1 2020-21. TVS-E registered fast recovery, and recorded revenues of ₹ 78 crores and ₹ 87 crores in Q2 and Q3 2021-22, up by 29% and 40% on a y-o-y basis. Again Q3 revenues for 2021-22 were slightly impacted owing to the third wave of the pandemic, and the Company's Q4

revenues stood at ₹ 88.4 crores compared to ₹ 72.4 crores in Q4 2020-21.

During the year under review, we invested ₹ 3.89 crores of capex towards various expansions to diversify the business and add economies of scale, all of which was done through accruals. The Company's financial prudence is reflected by the improvement in cash position. Further, to strengthen its position in the lifecycle management of products and make customers' lives easier, the Company has been increasingly investing in technology and digitalisation.

During the year under review, the net profit of the Company stood at ₹ 15.10 cr compared to ₹ 0.77 cr in 2020-21. The Company's debtor's turnover ratio is at 10 as against 6 in 2020-21, on the back of improved working capital management. The Company also improved its inventory turnover to 7 in 2021-22, on the back of reducing the order cycle time from 30 days to 15 days in most of the cases. This has, in turn, reduced the inventory carrying during the year under review. TVS-E generated cash surplus for the 2nd consecutive year, and reinvested certain amount in the business and invested the rest in mutual funds. In the short term, the Company is generating returns for shareholders, and in the long term, the Company is generating superior growth for its shareholders.

There has been no change in the business of the Company during the Financial Year ended 31st March 2022.

Dividend

The Board of Directors at its meeting held on 5th March 2022 declared an interim dividend of ₹ 2 per equity share for the financial year ended 31st March 2022. The dividend absorbed ₹ 373 lakhs, gross of tax and was paid to all the equity shareholders whose names appear in the Register of Members of the Company and depositories as on 16th March, 2022. The payment of the interim dividend was made through electronic mode directly to the Bank account on 23rd March, 2022 to those shareholders whose bank details were registered and Demand Drafts were dispatched to the registered address of those shareholders who had not registered their bank account details with Company's Share Transfer Agent (STA).

The Company has not recommended final dividend for the financial year 2021-22.

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

Further the Company took several Covid safety precautions in the office and factory premises like

- Thermal screening.
- Use of hand sanitizer.
- Wearing of mask.
- Through CCTV, the adherence to the above safety measures were continuously monitored.

The Company also ensures with Occupational Safety by taking the following measures:

- Required numbers of fire extinguishers were made available.
- Fire extinguishers were refilled on time and were made available in full operational condition.
- Fire Safety training were given across branch locations.

Routine Safety audit were performed on:

- COVID Safety
- Fire Safety
- Electrical Safety
- Furnitures & Equipment Handling etc.

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 31st March, 2022. 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.tvs-e.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.tvs-e.in/wp-content/finreports/policy/Code%20of%20Conduct.pdf>

- **Fair Practices Code:**

https://www.tvs-e.in/wp-content/finreports/policy/TVSE_Fair_Practices_Code.pdf

- **Procedure of inquiry in case of leak or suspected leak of UPSI:**

https://www.tvse.in/wp-content/finreports/policy/TVSE_UPSI_Policy.pdf

Holding Company and Promoters

The members of the TVS Family had entered into a Memorandum of Family Arrangement (“MFA”) dated 10th December 2020 in order to align and synchronize the ownership/ control over various companies/ businesses with the management of the respective companies, as is being currently done by the respective branches/ sub-branches of the TVS Family. In the context of the above, a Composite Scheme of Amalgamation and Arrangement (“Scheme”) under sections 230 to 232 of the Companies Act, 2013 was filed with Hon’ble National Company Law Tribunal, Chennai Bench (“NCLT”) and an order was pronounced on 6th December 2021 sanctioning the Scheme by the NCLT. The Scheme was made effective on 6th January 2022 (“Effective Date”).

Consequent to the same, TVS Investments Private Limited (TVSI) amalgamated with Geeyes Family Holdings Private Limited (GFHPL) with effect from 4th February 2022. As a result of the same, TVSI dissolved without the winding up process and 1,11,60,093 equity shares representing 59.84% shareholding of the Company held by TVSI were vested with GFHPL. Hence, GFHPL and Mr. Gopal Srinivasan, holding majority stakes in GFHPL became promoters of the Company. Subsequently, Geeyes Family Holdings Private Limited (GFHPL) has been renamed as TVS Investments Private Limited.

Subsidiary Company

The Company do not have any Subsidiary Company as on 31st March, 2022. The details in the form of AOC-1 is given as **Annexure A** to this report.

Consolidated Accounts

The Company do not have any Subsidiary Company/Joint Venture/Associate Company as on 31st March, 2022 and hence the requirement to Consolidate Accounts is not applicable.

Annual Return

In terms of the requirements of Section 92(3) read with 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-2021-22.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 2022 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. Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY 2021-22 and hence does not form part of this report.

During the year under review, the Company has entered into transactions with M/s TVS investments Private Limited, which holds 10% or more shareholding in the Company as mentioned in Note 34 of Financial statement for the year ended 31st March 2022.

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 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.tvse.in/wp-content/finreports/policy/TVSE_RPT-Policy_2022-Jan2022_22.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 <https://www.tvs-e.in/investor-relations/>

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 13th November 2021. 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 14th May, 2022, accepted his request and recommended for re-appointment.

Managing Director

The Board of Directors at their meeting held on 11th 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 for a period of 5 years from 11th May 2018 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 9th August, 2018 approved the appointment by way of passing special resolution.

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

Considering the contribution of Mrs Srilalitha Gopal and the progress made by the Company under her leadership and guidance, based on the recommendation of Nomination and Remuneration Committee, the Board at its meeting held on 14th May 2022 approved to increase the remuneration of

Mrs. Srilalitha Gopal from ₹ 1.5 Crores p.a. to ₹ 2 Crores p.a. with effect from 11th May 2022 up to 10th May 2023, subject to the approval of shareholders in the 27th Annual General Meeting. The proposal to increase the remuneration of Mrs. Srilalitha Gopal, Managing Director from ₹1.5 Crores p.a. to ₹ 2 Crores p.a. has been placed in the AGM notice for the shareholders approval.

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 10th 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 1st April, 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 7th February, 2019 appointed Mrs. Subhasri Sriram as Independent Women Director and the shareholders approved the appointment at the Annual General Meeting held on 10th 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.

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 reviewed 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 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/TVSE_NRC-Policy_2022_22.pdf

Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants (FRN:008072S) were appointed as the Statutory Auditors of the Company at the 22nd Annual General Meeting of the Company held on 30th June 2017 for the term of 5 years and shall hold office up to the conclusion of the forthcoming 27th Annual General Meeting, scheduled to be held on 29th June, 2022.

As part of the best practices followed in order to rotate the auditors, the Board at its meeting held on 14th May, 2022, evaluated the profiles of few audit firms and based on the recommendation of the Audit Committee, appointed M/s. Guru & Jana, Chartered Accountants (FRN: 006826S) as the Statutory Auditors of the Company to hold the office for the First term of 5 consecutive years from the conclusion of 27th Annual General Meeting till the conclusion of 32nd Annual General Meeting, subject to the shareholders' approval in the ensuing Annual General Meeting.

The Board recommends the appointment of M/s. Guru & Jana, Chartered Accountants (FRN: 006826S) as the statutory auditors of the Company as set out at item no.3 of the notice to the Annual General Meeting for approval by the members.

Internal Auditors

M/s. Grant Thornton India LLP were appointed 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 are 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 1st April 2015.

Mr. P Raju Iyer, Cost Accountant, Chennai was appointed as the Cost Auditor of the Company, to carry out the cost audit for 2021-22. The Board of Directors at their meeting held on 14th May 2022, based on the recommendation of the Audit Committee, re-appointed Mr. P Raju Iyer, Cost Accountant, Chennai as the Cost Auditor of the Company, to carry out the cost audit for the financial year 2022-23, subject to the ratification by shareholders for the remuneration to be paid in the ensuing Annual General Meeting.

Secretarial Auditors

M/s. V Suresh Associates, Practicing Company Secretary, Chennai, Secretarial Auditors of the Company carried out Secretarial Audit for the financial year 2021-22 and the same is annexed as **Annexure B**. There is no qualification reported by the Secretarial Auditors in their report for the FY 2021-22.

Based on recommendation of Audit Committee, the Board of Directors at the meeting held on 14th May, 2022 appointed M/s. V Suresh Associates, Chennai as Secretarial Auditors for the financial year 2022-23.

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 from Brickworks Ratings India (P) Ltd., vide their letter dated 28th February, 2022. The Credit rating agency has reaffirmed the ratings as "BWR A-" with upgrade in outlook from "Stable" to "Positive". The same was intimated to both Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited.

Transfer to Investor Education and Protection Fund (IEPF)

Unclaimed Dividend:

There was no amount required to be transferred to the IEPF during the year. However the Company has transferred the dividend to IEPF in respect of those shares which were transferred to IEPF.

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 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 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 Standard – English and Makkal Kural – Tamil) on 14th December, 2019 and subsequently filed the said newspaper publications with the stock exchanges.

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 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)

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 1st 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 1st April 2017. Accordingly, the Board of Directors of the Company, at their meeting held on 12th 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 during the financial year 2021-22. The Company has spent and undertaken CSR activities during the financial year 2021-22. The detail of CSR activities has been provided as **Annexure F** to this report and also available on the Company's website <https://www.tvs-e.in/investor-relations/>.

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 31st March, 2022.

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, none of the auditors of the Company (Statutory Auditors, Secretarial Auditors, Cost Auditor) 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 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

*E-Learning 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 as per 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 2021-2022.

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 2021-22:

The financial statements have been prepared in accordance with the Indian Accounting Standards, which has become applicable to the Company with effective from 1st 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:

- i. that in the preparation of the annual accounts for the financial year ended 31st March, 2022, the applicable Indian accounting standards have been followed and that there were no material departures;
- ii. 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 31st March, 2022 and of the profits of the Company for the year under review;
- iii. 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;



- iv. that they had prepared the annual accounts for the year ended 31st March, 2022 on a “going concern” basis;
- v. that they had laid down internal financial controls which are adequate and are operating effectively;
- vi. 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.

from the customers, dealer partners, business partners, bankers and its holding company M/s TVS Investments Private Limited (formerly known as M/s Geeyes Family Holdings 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

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

Chennai
14th May 2022.

| | |
|-------------------------|---------------------|
| SRILALITHA GOPAL | R S RAGHAVAN |
| Managing Director | Director |
| DIN: 02329790 | DIN : 00260912 |

Annexure A to Board's Report

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 31st March 2022

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

As per our report of even date annexed

SRILALITHA GOPAL

Managing Director
DIN:02329790

R S RAGHAVAN

Director
DIN: 00260912

For DELOITTE HASKINS & SELLS

Chartered Accountants
Firm Registration No: 008072S

K SANTOSH

Company Secretary

A KULANDAI VADIVELU

Chief Financial Officer

R PRASANNA VENKATESH

Partner
Membership No: 214045

Chennai,
14th May, 2022



Annexure B to Board's Report

Form No. MR-3

Secretarial Audit Report for the financial year 2021-22

[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.

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 31st March 2022, 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 31st March 2022 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. There is no change in the composition of the Board of Directors during the period under review.

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.

We further report pursuant to the Composite Scheme of Amalgamation and Arrangement (Scheme), TVS Investments Pvt Ltd has been merged with Geeyes Family Holdings Pvt Ltd (Subsequently renamed as TVS Investments Pvt Ltd, as per the Scheme) with effect from 4th February, 2022. The same has been disclosed with the Stock Exchanges and ROC.

Consequent to the above merger, TVS Investments Private Limited (Formerly known as Geeyes Family Holdings Pvt Ltd) and Mr. Gopal Srinivasan, holding majority stake in TVS Investments Pvt Ltd have become the promoters of TVS Electronics Limited.

For V Suresh Associates
Practising Company Secretaries

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

Place: Chennai
Date: 14.05.2022

Peer Review Cert. No. : 667/2020
UDIN: F002969D000332474



Annexure B to Board's Report (Contd.)

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: F002969D000332474

Place: Chennai
Date: 14.05.2022

Annexure C to Board's Report

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 Indian 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
14th May, 2022

SRILALITHA GOPAL
Managing Director
DIN: 02329790

R S RAGHAVAN
Director
DIN : 00260912



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 | 1:31 | Nil |
| | 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 | 1:15 | 21 % |
| | K Santosh | CS | 1:4 | 56 % |
| 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 | | 505 | |
| 4. | Average percentile increase in the salaries of employees other than the managerial personnel during the year 2021-22 was 9% and for the managerial personnel was 5 %. | | | |
| 5. | It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company. | | | |

NENID : Non Executive Non Independent Director

NEID : Non Executive Independent Director

*Performance compensation for the FY 2020-21 was paid during the FY 2021-22

For and on behalf of the Board

Chennai
14th May, 2022

SRILALITHA GOPAL

Managing Director
DIN: 02329790

R S RAGHAVAN

Director
DIN : 00260912

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 | Introduced 9W Dot Matrix Printer with solar power operating compatibility |
| 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"> Bluetooth Implemented for 9W Dot Matrix Printers/ Thermal Receipt Printers Developed Android SDK for Dot Matrix Printers/Pass Book Printer Middleware for Passbook Printer development DC Powered Printer |
| ii. | the benefits derived like product improvement, cost reduction, product development or import substitution | <ul style="list-style-type: none"> Extending the environment to Android Segment as well Passbook Printer KIOSK Opportunity 9W DC powered Printers for Diary Segment/Mobility Solutions Local Manufacturing of Membrane Keyboard/Scanner/Thermal Printers/Pass Book Printer/8" AIO Touch POS |
| 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 | NA |

(c) Foreign exchange earnings and Outgo

The Company exported Printers and other components

| | | 31 st March, 2022 In ₹ Lakhs | 31 st March, 2021 In ₹ Lakhs |
|-----|----------------------------|--|--|
| (a) | Total Forex earned (FOB) : | 392.42 | 192.68 |
| (b) | Total Forex used (FOB): | 10910.44 | 6484.64 |

For and on behalf of the Board

Chennai
14th May, 2022

SRILALITHA GOPAL
Managing Director
DIN: 02329790

R S RAGHAVAN
Director
DIN : 00260912

**Annexure F to Board's Report****PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2021-22**

- 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 the 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
- 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 8of 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 | 2020-21 | 10,46,800 | - |
| 2 | 2021-22 | 4,88,990 | - |
| | TOTAL | 15,35,790 | |

- Average net profit of the company as per section 135(5): **₹ 732 Lakhs**
- Two percent of average net profit of the company as per section 135(5): **₹ 14.64 Lakhs**
 - Surplus arising out of the CSR projects or Programmes or activities of the previous financial years.: **NIL**
 - Amount required to be set off for the financial year, if any: **NIL**
 - Total CSR obligation for the financial year (7a+7b- 7c) : **₹ 14.64 Lakhs**
- 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 | | | | |

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

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

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

| Sl. no | Name of the CSR Project | Activity under Schedule | Mode of Implementation Direct (YES/ NO) | Location of the Project | | Amount allocated for the project (in ₹) | Modality of Utilization of Funds | Implementation Schedule | Impact assessment - applicability |
|---------------------|---|-------------------------|---|-------------------------|----------|---|---|-------------------------|-----------------------------------|
| | | | | State | District | | | | |
| 1 | Donation paid to Siddha Ganga Mutt | Education | Yes | Karnataka | Tumakuru | 16,08,000 | The funds were utilized for student adoption scheme | Dec, 21 | NA |
| 2 | Nutritions provided to children - Anganwadi | Health | Yes | Karnataka | Tumakuru | 1,71,990 | The funds were utilized to provide nutrition (Spirulina Granules) to school children | Jan, 22 | NA |
| 3 | Scholarship paid to students of Siddha Ganga Mutt | Education | Yes | Karnataka | Tumakuru | 80,000 | The funds were utilized for providing scholarship to the students to pursue their higher studies. | Dec, 21 | NA |
| Total amount | | | | | | 18,59,990 | | | |

(d) Amount spent in Administrative Overheads: ₹ 93,000

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

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 19,52,990

(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) | 14,64,000 |
| (ii) | Total amount spent for the Financial Year | 19,52,990 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 4,88,990 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years[(iii)-(iv)] | 4,88,990 |



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

| Sl. no | Preceding Financial Year. | Amount transferred | 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. | Project ID. | 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 | | | | | | | | |

9. 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

10. 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

MRS. SRILALITHA GOPAL

Managing Director
DIN: 02329790

MR. M LAKSHMINARAYAN

Chairman CSR Committee
DIN: 00064750

REPORT ON CORPORATE GOVERNANCE

[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 31st March 2022, the Board of Directors of the Company consisted of Eight (8) Directors comprising of a Non-Executive and Non-Independent Chairman, Managing Director, 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.

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 2021-22, seven Board Meetings were held respectively on 22nd May 2021, 14th August 2021, 21st August 2021, 13th November 2021, 12th February 2022, 5th March 2022 and 19th March 2022. The gap between any two meetings did not exceed 120 days.

The last Annual General Meeting (AGM) of the Company was held on 14th August 2021 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 2021-22 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 2021-22 | | Whether attended last AGM held on 14 th August 2021 | 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 | 7 | 6 | Yes | 16 | 2 | - |
| Mrs. Srilalitha Gopal DIN: 02329790 | Executive Director | 7 | 7 | Yes | 3 | - | - |
| Mr. M Lakshminarayan DIN 00064750 | Independent Non-Executive | 7 | 7 | Yes | 10 | 7 | 3 |
| Mr. M F Farooqui DIN 01910054 | Independent Non-Executive | 7 | 7 | Yes | 1 | - | - |
| Mr. R S Raghavan DIN 00260912 | Non Independent Non-Executive | 7 | 7 | Yes | 3 | - | - |
| Mr.K Balakrishnan DIN 00722447 | Independent Non Executive | 7 | 6 | Yes | 4 | 1 | - |
| Dr. V Sumantran DIN 02153989 | Independent Non-Executive | 7 | 7 | Yes | 5 | 3 | 1 |
| Mrs. Subhasri Sriram DIN 01998599 | Independent Non-Executive | 7 | 7 | Yes | 8 | 2 | 1 |

(a) includes directorship of listed, unlisted public and private companies.

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



| SL. No | Name of the Director | Name of Listed Company | Category of Directorship |
|--------|---|---|--|
| 1 | Mr. Gopal Srinivasan Chairman DIN 00177699 | 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 |
| | | ZF Commercial Vehicle Control Systems India Limited | Independent Director |
| | | Wendt India Limited | Independent Director |
| | | Sansera Engineering 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 |
| | | Shriram Asset Management Company Limited | Non-Executive - Non 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.

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 31st March, 2022. 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 |
| 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 members of the Audit Committee possess financial / accounting expertise and exposure. The Audit Committee consists of majority of Independent Directors.

The Company Secretary 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 14th August 2021 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. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Scrutiny of inter-corporate loans and investments
9. Evaluation of internal financial controls and risk management systems
10. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

11. 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.
12. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders
13. 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 22nd May, 2021, 13th August, 2021, 13th November 2021, 12th February 2022 and 19th March 2022. The gap between any two meetings did not exceed 120 days. The Audit Committee at its meeting held on 12th February, 2022 reviewed and discussed the Enterprise Risk Management in detail.

The Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors, Cost Auditor, Secretarial Auditor 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 2021-22 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 | 4 |
| 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 | 5 | 5 |



(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 |
| Mr. M Lakshminarayan | – Non Executive - Independent |
| Mr. K Balakrishnan | – Non Executive - Independent |
| Mrs. Subhasri Sriram | – Non Executive - Independent |

The Company Secretary acts as 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:

- 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.
- For every appointment of independent director, the committee shall evaluate the skills, knowledge and experience on the Board. On the basis of such evaluation, the Committee shall prepare a description of the role and capabilities required. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:
 - use the services of an external agencies, if required;
 - consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - consider the time commitments of the candidates.
- To carry out the evaluation of every Director's performance.
- 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.

- To formulate the criteria of evaluation of Independent Directors and the Board.
- To devise a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- To review and recommend remuneration of Managing Directors/ Whole time directors based on their performance and defined assessment criteria.
- 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.
- Recommend to the Board, all remuneration, in whatever form, payable to senior Management.
- In terms of Regulation 19 (3A) of SEBI Listing Regulations, the NRC shall meet at least once in a year.
- 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 2021-22 on 14th May, 2021.

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, appointment and fixing of remuneration of Directors, Key Managerial Personnel and Senior Management.

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/TVSE_NRC-Policy_2022_22.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) Stakeholders' Relationship Committee (SRC):

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

* Mr. K Balakrishnan – Non Executive Director - Independent – Chairman

Mrs. Srilalitha Gopal – Executive Director

Dr. V Sumantran – Non Executive Director - Independent

* Appointed as the Chairman of the Committee in the Board meeting held on 13th November 2021.

Mr. K Santosh, Company Secretary of the Company acts as the Secretary of the Committee

The Stakeholders' Relationship Committee met once during the year on 13th November 2021.

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 | Mr. K Balakrishnan- Chairman | Non-Executive Director- Independent | 1 | 1 |
| 2 | Mrs. Srilalitha Gopal | Executive Director | 1 | 1 |
| 3 | Dr. V Sumantran | Non-Executive Director – Independent | 1 | 1 |

Complaints received and redressed during the financial year 2021-22:

| 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 | 0 | 0 | Nil | Nil |

The Company has not received any complaint during the year and there are no complaints pending for redressal as on 31st March, 2022. The dematerialisation requests from the Shareholders were also carried out within the stipulated time period and no Certificates were pending for dematerialisation as at the end of the financial year 31st March, 2022.

(6) Remuneration to Directors:

(a) Non – Executive Directors

During the year, considering the time devoted by the Non Executive Directors towards providing expertise and guidance to the business, the Board at its meeting held on 22nd May, 2021 enhanced the sitting fee for attending the Board, Audit committee, Nomination and Remuneration Committee and Independent Directors Meeting from ₹ 25,000/- to ₹ 50,000/- per meeting with effect from 1st April, 2021. The sitting fee for Corporate Social Responsibility Committee and Stakeholders Relationship Committee were unchanged i.e. ₹25,000/- per meeting.

Details of sitting fees paid to Non-executive Directors for the year ended 31st March, 2022:

(₹ In Lakhs)

| Name of the Director | Sitting fees |
|----------------------|--------------|
| Mr. Gopal Srinivasan | 3.00 |
| Mr. M Lakshminarayan | 7.25 |
| Mr. M F Farooqui | 7.00 |
| Mr. R S Raghavan | 6.25 |
| Mr. K Balakrishnan | 6.50 |
| Dr V Sumantran | 6.75 |
| Mrs. Subhasri Sriram | 7.00 |

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 are mentioned in detail under Nomination and Remuneration Policy on the Website of the Company: https://www.tvs-e.in/wp-content/finreports/policy/TVSE_NRC-Policy_2022_22.pdf



| Sl. NO | Additional disclosure with respect to remuneration paid to Non Executive Director under Companies Act, 2013 | |
|--------|--|---|
| 1 | all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc. | NIL |
| 2 | details of fixed component and performance linked incentives, along with the performance criteria; | |
| 3 | Service contracts, notice period, severance fees; | NIL |
| 4 | 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 31st March 2022.

(₹ In Lakhs)

| Name of the Director | Salary/ Perquisites, etc | PF contribution | Comm-ission | Employees Stock options | Total |
|-----------------------|--------------------------|-----------------|-------------|-------------------------|--------|
| Mrs. Srilalitha Gopal | 132.31 | 7.20 | Nil | Nil | 139.51 |

- (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 2021-22 and remuneration payable for FY 2022-23.

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 Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. In terms of Section 150 read with 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 fulfill 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, 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 2021-22 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.

(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 – Non Executive Director - Independent - Chairman
- Mr. K Balakrishnan – Non Executive Director - Independent
- Mr. R S Raghavan – Non Executive Director - Non Independent

The CSR Committee met on 13th November 2021 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 13th November 2021 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 at <https://www.tvs-e.in/investor-relations/>

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

(10) General Body Meetings:

a. Annual General Meetings

The last three Annual General Meetings were held as under:

| Year | Location | Date | Time |
|------|--|-------------------------------|----------|
| 2019 | Sri Thyaga Brahma Gana Sabha (Vani Mahal) No. 103, G N Chetty Road T. Nagar, Chennai – 600 017 | 10 th August, 2019 | 10.00 AM |
| 2020 | Through Video Conferencing / Other Audio Visual Means (VC / OAVM) | 8 th August, 2020 | 10.00 AM |
| 2021 | Through Video Conferencing / Other Audio Visual Means (VC / OAVM) | 14 th August, 2021 | 10.00 AM |

**b. Extraordinary General Meeting**

No Extraordinary General meeting was conducted during the year.

c. Postal Ballot

No Postal Ballot process was conducted during the year.

d. Special Resolutions

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

| Year | Location | Date of AGM |
|---------|--|-------------------------------|
| 2018-19 | Appointment of Mrs. Srilalitha Gopal, Managing Director | 9 th 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 th August, 2020 |
| 2019-20 | Reappointment of Mr. M F Farooqui (DIN: 01910054) as Independent Director for the second term of 5 years | 8 th August, 2020 |
| 2020-21 | To approve payment of minimum remuneration to Managing Director for remaining tenure of her appointment | 14 th August, 2021 |

e. None of the subjects placed before the shareholders in the 27th Annual General Meeting requires approval by a Postal Ballot.

Means of communications:

The quarterly unaudited results of the Company have been published in the Newspapers, English version in Financial Express 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 and at www.bseindia.com and the Company's website at <https://www.tvse.in/investor-relations/>.

The Company's website (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 Wednesday, 29th June 2022
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 : 1st April to 31st March**c. Financial reporting for the quarter ending for financial year ending 31st March, 2022 (Tentative)**

| | |
|----------------------------------|--|
| 30 th June, 2022 | On or Before 14 th August, 2022 |
| 30 th September, 2022 | On or Before 14 th November, 2022 |
| 31 st December, 2022 | On or Before 14 th February, 2023 |
| 31 st March, 2023 | On or Before 30 th May, 2023 |
| Annual General Meeting | Between June and September 2023 |

d. The Board of Directors at their meeting held on 5th March, 2022 declared interim dividend of ₹ 2/- per Equity Share of the face value of ₹ 10/- each for the financial year ended 31st March, 2022 and was paid to all the equity shareholders whose names appeared in the register of members of the Company and the Depositories as on 16th March 2022. The payment of the interim dividend was made through electronic mode directly to the Bank account on 23rd March, 2022 to those shareholders whose bank details were registered and Demand Drafts were dispatched to the registered address of those shareholders who had not registered their bank account details with Company's Share Transfer Agent (STA).

e. Record date for ascertaining shareholders eligible to cast their votes for the items set out in the notice convening the AGM shall be 22nd June 2022.

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 |

Annual listing fees have been paid to the above Stock Exchanges, for the financial year 2022-23.

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 2022 are given below:

Details of shares traded at NSE:

| S. No. | Month | Price (in ₹) | | | | No of shares Traded |
|--|-----------------|--------------|--------|--------|---------|---------------------|
| | | Open | High | Low | Closing | |
| 1 | April, 2021 | 132.30 | 143.75 | 118.00 | 135.65 | 5,67,909 |
| 2 | May, 2021 | 137.70 | 161.4 | 130.00 | 147.05 | 16,03,093 |
| 3 | June, 2021 | 148.45 | 174.95 | 141.05 | 165.20 | 37,20,429 |
| 4 | July, 2021 | 166.85 | 217 | 163.1 | 196.1 | 41,15,463 |
| 5 | August, 2021 | 196 | 199.6 | 155.75 | 166.55 | 13,19,739 |
| 6 | September, 2021 | 168.95 | 186.90 | 160.25 | 165.9 | 9,31,477 |
| 7 | October, 2021 | 167 | 177.95 | 155.15 | 157.7 | 9,02,742 |
| 8 | November, 2021 | 159.25 | 188.4 | 156.05 | 161.85 | 14,80,672 |
| 9 | December, 2021 | 164.8 | 203 | 158.95 | 175.8 | 23,13,023 |
| 10 | January, 2022 | 175.6 | 234.55 | 174.25 | 216.95 | 52,16,713 |
| 11 | February, 2022 | 217.9 | 283.95 | 189 | 211.05 | 89,10,707 |
| 12 | March, 2022 | 211 | 267.45 | 199.65 | 255.75 | 48,63,283 |
| Total traded quantity during the financial year 2021-22 | | | | | | 3,59,45,250 |

Details of shares traded at BSE:

| S. No. | Month | Price (in ₹) | | | | No of shares Traded |
|--|-----------------|--------------|--------|--------|---------|---------------------|
| | | Open | High | Low | Closing | |
| 1 | April, 2021 | 128 | 143.5 | 117.2 | 135.55 | 1,37,926 |
| 2 | May, 2021 | 135.55 | 161.55 | 129.1 | 147.15 | 3,23,970 |
| 3 | June, 2021 | 144.35 | 174.5 | 140.5 | 165.45 | 5,94,040 |
| 4 | July, 2021 | 162.55 | 217 | 162.55 | 195.25 | 5,56,653 |
| 5 | August, 2021 | 199.2 | 200 | 154.65 | 166.05 | 2,34,488 |
| 6 | September, 2021 | 166.75 | 186.45 | 164.2 | 165.85 | 1,38,398 |
| 7 | October, 2021 | 166 | 179.5 | 155.15 | 157.9 | 1,48,755 |
| 8 | November, 2021 | 159.9 | 188.05 | 156 | 161.6 | 1,73,739 |
| 9 | December, 2021 | 162.6 | 203 | 159.05 | 174.65 | 2,64,839 |
| 10 | January, 2022 | 175.65 | 234.5 | 174.3 | 217.4 | 6,01,570 |
| 11 | February, 2022 | 222.25 | 283.7 | 186 | 211.15 | 11,62,898 |
| 12 | March, 2022 | 205.1 | 267.55 | 199.7 | 255.9 | 5,35,739 |
| Total traded quantity during the financial year 2021-22 | | | | | | 48,73,015 |

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

| Financial year | Percentage change in | |
|----------------|---------------------------|------------|
| | Company's share price (%) | Sensex (%) |
| 2021-22 | 100.12 | 18.30 |
| 2020-21 | 140.68 | 68.01 |
| 2019-20 | -72.10 | -23.56 |

h. Transfer System:

With a view to rendering prompt and efficient services to the investors, the Company has handed over the Share registry work pertaining to the Company to M/s Integrated Registry Management Services Private Limited (Integrated) Reg.no. INR000000544 with effect from 16th March 2021.

Integrated Registry Management Services Private Limited

2nd 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

i. Distribution of equity shareholding as on 31st March, 2022 :

| No. of shares held | No. of Share-holders | % of Share-holders | No. of Shares Held | % of Share-holding |
|--------------------|----------------------|--------------------|--------------------|--------------------|
| Upto 50 | 25955 | 57.42 | 498241 | 2.67 |
| 51 to 100 | 9552 | 21.13 | 890972 | 4.78 |
| 101 to 500 | 7718 | 17.08 | 1969049 | 10.56 |
| 501 to 1000 | 1184 | 2.62 | 941614 | 5.05 |
| 1001 to 2000 | 435 | 0.96 | 665595 | 3.57 |
| 2001 to 3000 | 141 | 0.31 | 356763 | 1.91 |
| 3001 to 4000 | 43 | 0.10 | 156444 | 0.84 |
| 4001 to 5000 | 45 | 0.10 | 215600 | 1.16 |
| 5001 to 10000 | 81 | 0.18 | 588648 | 3.15 |
| 10001 and above | 46 | 0.10 | 12367392 | 66.31 |
| TOTAL | 45200 | 100 | 18650318 | 100 |

j. Pattern of equity shareholding as on 31st March 2022

The detailed report on the shareholding pattern of the company as on 31st March 2022 is also available in the website of the Company <https://www.tvse.in/investor-relations/>



| SI No. | Category | No. of Shareholders | No. of Shares | % to total paid up share capital |
|----------|---|---------------------|--------------------|----------------------------------|
| A | Promoters and Promoter Group | | | |
| | Bodies Corporate | 2 | 1,11,72,593 | 59.91 |
| | Individuals / Hindu Undivided Family | 1 | 150 | 0.00 |
| | Total (A) | 3 | 1,11,72,743 | 59.91 |
| B | Public Shareholding | | | |
| 1 | Institutions | | | |
| i. | Mutual Funds | 3 | 1600 | 0.00 |
| ii. | Banks / Financial Institutions | 2 | 1000 | 0.00 |
| lii. | Foreign Portfolio Investors | 1 | 79702 | 0.43 |
| Iv | Central Government / State Government / President of India | 1 | 100 | 0.00 |
| | Total Institutions (B) (1) | 7 | 82,402 | 0.43 |
| 2 | Non- Institutions (B) (2) | | | |
| i. | Bodies Corporate – Indian | 159 | 337751 | 1.81 |
| ii. | Individuals Shareholders holding | | | |
| | a) Upto ₹ 2 lakhs of Nominal Share Capital) | 43489 | 5780226 | 31.00 |
| | b) Excess of ₹ 2 lakhs of Nominal Share Capital) | 12 | 408884 | 2.19 |
| 3 | Others (B) (3) | | | |
| | a) Director or Director's Relatives | 2 | 250 | 0.00 |
| | b) IEPF | 1 | 177200 | 0.95 |
| | c) LLP | 10 | 28081 | 0.15 |
| | d) NRI | 726 | 256925 | 1.38 |
| | e) HUF | 660 | 279237 | 1.50 |
| | e) Trusts | 1 | 300 | |
| | e) Clearing Members | 130 | 126319 | 0.68 |
| | Total Non Institutions(B) (2) + (B)(3) | 45,190 | 73,95,173 | 39.66 |
| | Total Public Shareholding (B) = (B) (1) + (B) (2)+(B)(3) | 45,197 | 74,77,575 | 40.09 |
| | TOTAL (A)+(B) | 45,200 | 1,86,50,318 | 100.00 |

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 31st March, 2022, is given below:

| Mode of Holding | Percentage | No. of shareholders | No. of Shares |
|-----------------|------------|---------------------|---------------|
| Demat | 97.96 | 42527 | 1,82,69,748 |
| Physical | 2.04 | 2673 | 3,80,570 |
| Total | 100 | 45200 | 1,86,50,318 |

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE236G01019.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity: Nil

i. Plant / Repair Factories locations:

Uttarakhand
No. E12, Selaqui Industrial Estate,
Selaqui, Dehradun,
Uttarakhand-248197

Tumakuru

Panditanahalli, Hirehalli Post,
Tumakuru District, Karnataka- 572168

m. Address for Investor's Correspondence:

Integrated Registry Management Services Private Limited
2nd Floor, Kences towers,
No. 1 Ramakrishna Street,
North Usman road,
T Nagar, Chennai - 600017.
Phone no: 044- 28140801/ 28140803
Fax No: 044- 28142479
Email id: srirams@integratedindia.in

Designated e-mail address for investor services:
investorservices@tvs-e.in
Compliance Officer: Mr. K Santosh
Arihant E Park, No 117/1
9th Floor, L B Road
Adyar, Chennai - 600 020
Phone No. :91-44-4200 5200
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 are due for remittance into IEPF. However the Company has transferred dividend in respect of shares transferred to 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, 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 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.tvse-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)

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 | |
|--|--|--------------|
| | Shares | Shareholders |
| As on 9 th Sep 2014 | 94,182 | 640 |
| Transferred to original shareholders during: | | |
| Financial Year 2015-16 | 400 | 3 |
| Financial Year 2016-17 | 1,300 | 2 |
| Financial Year 2017-18 | 1,550 | 8 |
| Financial Year 2018-19 | 1,200 | 10 |
| Financial Year 2018-19 | 1,150 | 6 |
| Financial Year 2019-20 | - | - |
| Financial Year 2020-21 | 64,182 | 519 |
| Outstanding as on 31 st March 2021 | 24,400 | 92 |
| Transferred to original shareholders since 1 st April, 2021 | - | - |
| Transferred to IEPF since 1 st April, 2021 | - | - |
| Outstanding as on 31 st March, 2022 | 24,400 | 92 |
| 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/ updating of PAN, KYC (Bank details, Mobile Number, Address, Demat Account details) and Nomination and such other requests for all shareholders, if any, directly to the Registered Office or the Share Transfer Agent (STA) of the Company through specified forms for registering/changing KYC details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 are available on our RTA's website at https://www.integratedindia.in/Corporate_Container.aspx - Forms Download and are also available in Companies Website at <https://www.tvse-e.in/investor-relations> -Simplified Norms for furnishing Nomination and KYC details
- 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 8th June 2018, the Company will not be in a position to entertain the request for registration of physical transfer of shares on or after 31st 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 2021-22 only through email to the shareholders who have registered their email id.

(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 34 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. All the mandatory requirements specified under Regulation 22 of the SEBI (LODR) Regulations, 2015 have been complied with.

Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies during the FY 2021-22 in which directors are interested:

| Name of the Firm/ Company | Nature of loans | Amount of loan (In ₹) | Name of the interested Director |
|---------------------------|-----------------|-----------------------|---------------------------------|
| NIL | | | |

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 31st March, 2022.

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

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

Compliance Certificate from Practising Company Secretary

Certificate from V Suresh Associates, Practising 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 Associates, Practising Company Secretaries, Chennai, forms part of this Annual Report.

A certificate has been received from V Suresh Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has 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 statutory authority in terms of Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹ 26 Lakhs (including out of pocket and one-time fee for additional services) 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-2021-22.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. |
| 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. M Lakshminarayan | √ | √ | √ | √ | √ |
| Mr. M.F.Farooqui | √ | √ | √ | √ | √ |
| Mr. R S Raghavan | √ | √ | √ | √ | √ |
| Mr. K Balakrishnan | √ | √ | √ | √ | √ |
| Dr. V Sumantran | √ | √ | √ | √ | √ |
| Mrs. Subhasri Sriram | √ | √ | √ | √ | √ |



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, 2022.

Place: Chennai
Date: 14th May 2022

SRILALITHA GOPAL
Managing Director
DIN: 02329790



Certificate on Compliance with the conditions of corporate governance under securities and exchange board of india (listing obligations and disclosure requirements) regulations, 2015.

To the Members of

TVS ELECTRONICS LIMITED

249-A, Ambujammal Street, Off TTK Road,
Alwarpet, Chennai – 600018.

We have examined the compliance of Corporate Governance by **TVS ELECTRONICS LIMITED**, for the year ended 31st March 2022, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and considering the relaxations granted by the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by it.

We state that such compliance is neither an assurance as to the future viability of the Company nor 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

Peer Review Cert. No. : 667/2020
UDIN: F002969D000332641

Place: Chennai
Date: 14th May 2022

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 31st March, 2022 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 | Mrs. 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 | Mrs. 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: 14th May 2022

Peer Review Cert. No. : 667/2020
UDIN: F002969D000332617



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

Sub: Certificate in terms of Regulation 17(8) read with Schedule II of Part B of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

We Srilalitha Gopal, Managing Director and A Kulandai Vadivelu , Chief Financial Officer, hereby certify that:

A. We have reviewed the Financial Statements and Cash flow Statements for the financial year ended as on 31st March, 2022 and that to the best of our knowledge and belief:

- (1) These Statements do not contain any materially untrue Statement or omit any material fact or contain statements that might be misleading;
- (2) These Statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal, or violative of the listed entity's code of conduct.

B. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

C. We have indicated to the auditors and Audit Committee that there are no:

- i. Significant changes in internal control over financial reporting during the year;
- ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Chennai
14th May, 2022

SRILALITHA GOPAL
Managing Director
DIN: 02329790

A KULANDAI VADIVELU
Chief Financial Officer



FINANCIAL STATEMENTS 2021-22



INDEPENDENT AUDITOR'S REPORT

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 2022, 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 2022, 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.

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 data-bbox="207 1317 798 1384">Impairment assessment of indefinite useful life intangible assets</p> <p data-bbox="207 1411 798 1697">Indefinite useful life intangible assets pertains to Business Rights that have been recognized pursuant of acquisition of Service Tec (currently referred to as Customer Support Services (CSS)) business. 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 data-bbox="207 1713 798 1948" style="list-style-type: none"> • Revenue growth duly considering current and emerging revenue streams • Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) • Discount rate • Terminal growth rate | <p data-bbox="813 1317 1476 1350">Principal Audit Procedures</p> <p data-bbox="813 1377 1476 1568">We assessed the company's impairment testing process of the Customer Support Services (CSS) business and the intangible asset 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 testing procedures as follows:</p> <ul data-bbox="813 1585 1476 2056" style="list-style-type: none"> • Evaluated the design and implementation of internal controls relating to managements impairment assessment testing. • Tested the operative effectiveness of internal control relating to managements impairment assessment testing of the Service tec business and individual assets with a combination of procedures involving inquiry, inspection and observation. • 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 and individual assets. |

| Sr. No | Key Audit Matter | Auditor's Response |
|--------|---|---|
| | <p>Due to the significant judgement used in the impairment assessment, it has been considered as a key audit matter.</p> <p>Refer to Notes 1.b.7 and 4.1 to the financial statements</p> | <ul style="list-style-type: none"> • Evaluated the reasonableness of customer wise revenue projections with reference to prospective business orders, historical performance, evolving business models, composition of its past and future revenue streams and macroeconomic conditions. • 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 various business categories. • Engaged our internal specialists to assist with evaluation of whether the valuation model and the assumptions used to calculate the discount rate and terminal growth rate to calculate the value in use of the Servicetech business complies with the requirements of Ind AS 36 Impairment of Assets. |

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.

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 2022

taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts no funds have been advanced or loaned or invested by the Company to or in any other persons or entities, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the

Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The Management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any persons or entities, including foreign entities, with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The interim dividend declared and paid by the Company during the year and until the date of this report is in accordance with section 123 of the Companies Act 2013.

2. As required by the Companies (Auditor's Report) Order, 2020 ("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 and Sells
Chartered Accountants
(Firm Registration No. 008072S)

R. Prasanna Venkatesh
Partner

Place : Chennai
Date : 14 May 2022

(Membership No. 214045)
UDIN: 22214045AIZIJT6277



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 31 March, 2022 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 31st March, 2022 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 and Sells

Chartered Accountants
(Firm's Registration No. 008072S)

R. Prasanna Venkatesh

Partner

Place : Chennai
Date : 14 May 2022

Membership No. 214045
UDIN: 22214045AIZIJT6277



Annexure B to the Independent Auditors' Report

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

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of the Property, plant and equipment.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) These Property, Plant and Equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) Based on our examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties relating to Right of use assets where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories, except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, written confirmations have been obtained and in respect of goods in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements (as amended) comprising information on stock, book debt, ageing analysis of the debtors/ other receivables and other stipulated financial information filed by the Company with such banks are in agreement with the books of account of the Company of the respective quarters.
- (iii) (a) The Company has not made any investments in, provided any security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except for the guarantee given to an NBFC as part of channel financing agreement disclosed in the below schedule.

| | Loans | Advances in nature of loans | Guarantees | Security |
|---|-------|-----------------------------|------------|----------|
| A. Aggregate amount granted / provided during the year: | | | | |
| - Subsidiaries/Joint Ventures/Associates | - | - | - | - |
| - Others | - | - | ₹150 Lakh | - |
| B. Balance outstanding as at balance sheet date in respect of above cases: | | | | |
| - Subsidiaries/Joint Ventures/Associates | - | - | - | - |
| - Others | - | - | - | - |

- (b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans and guarantees provided, during the year are, in our opinion, prima facie, not prejudicial to the Company's interest.
- (c) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(c) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause of the Order is not applicable.
- (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 for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of Custom, Cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of Custom, Cess and other material statutory dues in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.
- (b) Details of dues of VAT and Income Tax which have not been deposited as on 31 March 2022 on account of disputes are given below:

| Name of Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Amount Unpaid (₹ In Lakhs) |
|-----------------|----------------|--------------------------------|------------------------------------|----------------------------|
| Uttarakhand VAT | VAT dues | Uttarakhand VAT | 2014-15 | 2.62 |
| Uttarakhand VAT | VAT dues | Uttarakhand VAT | 2015-16 | 1.96 |
| | | | 2016-17 | 30.64 |
| | | | 2017-18 | 17.27 |
| Kerala VAT | VAT dues | Kerala VAT | 2012-13 | 0.10 |
| Maharashtra VAT | VAT dues | Maharashtra VAT | 2015-16 | 1.43 |



- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (x) The Company has not issued any securities (including debt instruments) during the year and hence, reporting under clause (x)(a) of the Order is not applicable.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2021 and the draft of the internal audit reports were issued after the balance sheet date covering the period January 2022 to March 2022 for the period under audit.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors during the year and, hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, (Asset Liability Maturity (ALM) pattern) other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.
- (xxi) The Company does not have any component auditors and, hence, the reporting under clause (xxi) of the Order is not applicable.

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

R. Prasanna Venkatesh
Partner

Place : Chennai
Date : 14 May 2022

Membership No. 214045
UDIN: 22214045AIZIJT6277

BALANCE SHEET

as at March 31, 2022

| | | ₹ in Lakhs | | |
|----------|---|------------|----------------------|----------------------|
| S. No | Particulars | Note No. | As at March 31, 2022 | As at March 31, 2021 |
| A | ASSETS | | | |
| | Non-Current Assets | | | |
| | (a) Property, plant and equipment | 2 | 840 | 783 |
| | (b) Right to use assets | 3 | 515 | 628 |
| | (c) Capital Work In Progress | 2 | 21 | - |
| | (d) Intangible Assets | 4 | 1,270 | 1,527 |
| | (e) Intangible assets under development | 4 | 122 | 273 |
| | (f) Financial Assets | | | |
| | (i) Investments | | | |
| | a) Other Investments | 5 | 98 | 110 |
| | (ii) Other financial assets | 6 | 8 | 137 |
| | (g) Deferred tax assets (Net) | 7 | 102 | 26 |
| | (h) Non Current tax assets (Net) | 13 | 32 | 231 |
| | (i) Other Non current assets | 8 | 2,576 | 2,563 |
| | Total non-current assets | | 5,584 | 6,278 |
| | Current Assets | | | |
| | (a) Inventories | 9 | 4,692 | 3,696 |
| | (b) Financial Assets | | | |
| | (i) Investments | 5 | 3,363 | 1,594 |
| | (ii) Trade Receivables | 10 | 3,515 | 2,767 |
| | (iii) Cash and Cash Equivalents | 11 | 1,036 | 808 |
| | (iv) Bank balances other than (iii) above | 12 | 57 | 51 |
| | (v) Other Financial assets | 6 | 1,058 | 894 |
| | (c) Other Current Assets | 8 | 937 | 887 |
| | Total current assets | | 14,658 | 10,697 |
| | TOTAL ASSETS | | 20,242 | 16,975 |
| B | EQUITY AND LIABILITIES | | | |
| | Equity | | | |
| | (a) Equity Share Capital | 14 | 1,865 | 1,865 |
| | (b) Other Equity | 15 | 7,396 | 6,314 |
| | Total equity | | 9,261 | 8,179 |
| | Liabilities | | | |
| | Non-Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | i. Lease Liabilities | 20 | 268 | 352 |
| | (b) Provisions | 16 | 162 | 130 |
| | (c) Other non-current liabilities | 17 | 19 | 13 |
| | Total non-current liabilities | | 449 | 495 |
| | Current Liabilities | | | |
| | (a) Financial Liabilities | | | |
| | i. Borrowings | 19 | 376 | - |
| | ii. Lease Liabilities | 21 | 239 | 315 |
| | iii. Trade Payables | 20 | | |
| | - Dues of micro enterprises and small enterprises | | 383 | 328 |
| | - Dues of other than micro enterprises and small enterprises | | 7,290 | 5,702 |
| | iv. Other financial Liabilities | 21 | 664 | 719 |
| | (b) Provisions | 16 | 685 | 647 |
| | (c) Current Tax Liabilities | 18 | 130 | - |
| | (d) Other Current Liabilities | 17 | 765 | 590 |
| | Total current liabilities | | 10,532 | 8,301 |
| | Total Liabilities | | 10,981 | 8,796 |
| | TOTAL EQUITY AND LIABILITIES | | 20,242 | 16,975 |
| | The accompanying notes are an integral part of these financial statements | | | |

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

R PRASANNA VENKATESH

Partner

SRILALITHA GOPAL

(DIN : 02329790)

Managing Director

R S RAGHAVAN

(DIN : 00260912)

Director

Place: Chennai

Date: May 14, 2022

SANTOSH KRISHNADASS

Company Secretary

A KULANDAI VADIVELU

Chief Financial Officer



STATEMENT OF PROFIT AND LOSS

for the period ended March 31, 2022

₹ in Lakhs

| S. No | Particulars | Note No. | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-------|--|----------|---------------------------|---------------------------|
| I | Revenues from Operations | 22 | 30,792 | 22,460 |
| II | Other Income | 23 | 123 | 206 |
| III | Total Income (I+II) | | 30,915 | 22,666 |
| IV | Expenses: | | | |
| | Cost of materials consumed | 24 | 10,540 | 5,965 |
| | Purchases of Stock-in-Trade | 25 | 5,585 | 5,333 |
| | Changes in Inventories of finished goods and stock in trade | 26 | (858) | (200) |
| | Employee benefits expense | 27 | 4,007 | 3,071 |
| | Finance costs | 28 | 96 | 190 |
| | Depreciation and amortisation expense | 29 | 633 | 777 |
| | Other expenses | 30 | 8,879 | 7,436 |
| | Total Expenses (IV) | | 28,882 | 22,572 |
| V | Profit before tax & Exceptional Items (III-IV) | | 2,033 | 94 |
| VI | Exceptional Items (net) (Refer note 33(v)) | | 49 | - |
| VII | Profit before tax (V+VI) | | 2,082 | 94 |
| VIII | Tax Expense: | | | |
| | (1) Current Tax | 35 | 630 | 43 |
| | (2) Deferred Tax | 7 | (58) | (26) |
| | (3) Tax relating to earlier years | 35 | - | - |
| | Total Tax Expenses | | 572 | 17 |
| IX | Profit for the year (VII-VIII) | | 1,510 | 77 |
| | Other Comprehensive Income | | | |
| A. | i) Items that will not be reclassified to profit or loss | | | |
| | a) Remeasurements of the defined benefit plans | | (62) | 25 |
| | b) Equity instruments through other comprehensive income | | (11) | 13 |
| | | | (73) | 38 |
| | ii) Income tax relating to items that will not be reclassified to profit or loss | | 18 | 2 |
| X | Total other comprehensive income (A(i+ii)) | | (55) | 40 |
| XI | Total Comprehensive Income (IX+X) | | 1,455 | 117 |
| XII | Paid-up equity share capital (Face Value of ₹10/- each) | | 1,865 | 1,865 |
| XIII | Earnings Per Equity Share (Nominal value per share ₹ 10) | | | |
| | (a) Basic (in ₹) | 31 | 8.10 | 0.41 |
| | (b) Diluted (in ₹) | 31 | 8.10 | 0.41 |
| | The accompanying notes are an integral part of these financial statements | | | |

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

R PRASANNA VENKATESH

Partner

Place: Chennai

Date: May 14, 2022

For and on behalf of the Board of Directors

SRILALITHA GOPAL

(DIN : 02329790)

Managing Director

SANTOSH KRISHNADASS

Company Secretary

R S RAGHAVAN

(DIN : 00260912)

Director

A KULANDAI VADIVELU

Chief Financial Officer

STATEMENT OF CASH FLOW

for the period ended March 31, 2022

₹ in Lakhs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| A. Cash flow from operating activities | | |
| Net profit/(loss) after tax | 1,510 | 77 |
| Adjustments for : | | |
| Depreciation and Amortisation | 633 | 777 |
| Tax provisions | 572 | 17 |
| Finance costs | 96 | 190 |
| Exceptional Items (net) Refer note 33(v) | (49) | - |
| (Profit) on sale of Property, Plant and equipment | (1) | (7) |
| Net (Gain)/loss arising on FVTPL Transaction | (57) | (28) |
| Gain on derecognition of lease | (5) | (39) |
| Profit on sale of Investment | (18) | - |
| Interest Income | (19) | (47) |
| Liabilities no longer required written back | - | (32) |
| Loss on Property, Plant & Equipment sold / scrapped | 22 | 80 |
| Bad debts written off and provision for doubtful debts | 96 | 266 |
| | 1,270 | 1,177 |
| Operating profit/(loss) before working capital changes | 2,780 | 1,254 |
| Changes in working capital | | |
| <u>Adjustments for (increase)/decrease in operating assets</u> | | |
| Trade and other receivables | (903) | 1,300 |
| Inventories | (996) | (629) |
| Other Assets | (51) | 434 |
| Other Financial Assets | (58) | (27) |
| <u>Adjustments for increase/(decrease) in operating liabilities</u> | | |
| Trade payables | 2,023 | 750 |
| Other Liabilities | 251 | 109 |
| Other Financial Liabilities | (121) | 188 |
| | 145 | 2,125 |
| Cash generated from operations | 2,925 | 3,379 |
| Direct taxes paid / refund received - (net) | (302) | 5 |
| Net cash flow generated from operating activities | 2,623 | 3,384 |
| B. Cash flow from investing activities | | |
| Purchase of Property, plant and equipment & intangibles including capital advances | (389) | (349) |
| Proceeds from sale of Property, plant and equipment | 61 | 36 |
| Bank balances considered as other than cash and cash equivalents | (6) | (30) |
| Purchase of other investments | (1,694) | (1,565) |
| Interest received | 11 | 47 |
| Net cash flow (used) in investing activities | (2,017) | (1,861) |



₹ in Lakhs

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| C. Cash flow from financing activities | | |
| Payment of lease liability | (336) | (466) |
| Proceeds from Short term borrowings (Net) | 376 | - |
| Repayment of Short term borrowings (Net) | - | (1,443) |
| Finance costs | (45) | (190) |
| Dividends paid (Gross of Tax) | (373) | - |
| Net cash flow (used) in financing activities | (378) | (2,099) |
| Net decrease/increase in cash and cash equivalents (A+B+C) | 228 | (576) |
| Reconciliation | | |
| Cash and cash equivalents as at beginning of the Year | 808 | 1,384 |
| Cash and cash equivalents as at end of the period | 1,036 | 808 |
| Net (decrease) / increase in cash and cash equivalents | 228 | (576) |
| The accompanying notes are an integral part of these financial statements | | |

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

R PRASANNA VENKATESH

Partner

Place: Chennai

Date: May 14, 2022

For and on behalf of the Board of Directors

SRILALITHA GOPAL

(DIN : 02329790)

Managing Director

SANTOSH KRISHNADASS

Company Secretary

R S RAGHAVAN

(DIN : 00260912)

Director

A KULANDAI VADIVELU

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

for the period ended March 31, 2022

| Particulars | Share Capital | Securities premium | Capital Reserve | Reserves and Surplus | | Items of other comprehensive income | |
|--|---------------|--------------------|-----------------|----------------------|--------------------------------|---|--------------|
| | | | | General reserve | Retained earnings (Refer Note) | Equity Instruments through Other comprehensive Income | Total |
| Balance at April 01, 2020 | 1,865 | 1,525 | 61 | 405 | 4,178 | 28 | 8,062 |
| Movement during 2020-21 | | | | | | | - |
| Profit for the year | - | - | - | - | 77 | - | 77 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | 30 | 10 | 40 |
| Payment of dividends (Including taxes) | - | - | - | - | - | - | - |
| Balance at March 31, 2021 | 1,865 | 1,525 | 61 | 405 | 4,285 | 38 | 8,179 |
| Movement during 2021-22 | | | | | | | |
| Profit for the year | - | - | - | - | 1,510 | - | 1,510 |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (47) | (8) | (55) |
| Payment of dividends (Gross of TDS) | - | - | - | - | (373) | - | (373) |
| Balance at March 31, 2022 | 1,865 | 1,525 | 61 | 405 | 5,375 | 30 | 9,261 |

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 and on behalf of the Board of Directors

For Deloitte Haskins & Sells

Chartered Accountants

R PRASANNA VENKATESH

Partner

SRILALITHA GOPAL

(DIN : 02329790)

Managing Director

R S RAGHAVAN

(DIN : 00260912)

Director

Place: Chennai

Date: May 14, 2022

SANTOSH KRISHNADASS

Company Secretary

A KULANDAI VADIVELU

Chief Financial Officer



NOTES

forming part of the Financial Statements

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 - 600 018.

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.

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. The Financial Statements are presented in Indian Rupees (₹) and all values are rounded to the nearest Lakhs (₹ 00,000), except when otherwise indicated.

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 116, 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, key sources of estimation uncertainty and applicability of new accounting standards

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.

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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.



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- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.
- v) Impairment of Financial and Non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a group of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The impairment provisions for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

In case of non-financial assets Company estimates asset's recoverable amount, which is higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used."

c) Standard Issue but not effective

On March 23, 2022 the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules 2022. The notification has resulted into amendments in the following existing accounting standards which are applicable from April 1, 2022.

- i. Ind AS 101 – First time adoption of Ind AS
- ii. Ind AS 103 Business Combination
- iii. Ind AS 109 Financial Instrument
- iv. Ind AS 16 – Property , Plant and Equipment
- v. Ind AS 37, Provisions , Contingent Liabilities and Contingent assets
- vi. Ind AS 41 Agriculture, The Company is evaluating the impact of the above on its financial statements."

4) Revenue Recognition

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.

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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 accepts 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.

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.

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:



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| Asset | Useful life |
|---|---------------------------------|
| 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.

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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 increased to 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.

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



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recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailement 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

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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.

(iii) Warranties

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically upto three years.

Expected recoveries towards warranty cost from the vendors are estimated and accounted for by the management in the year in which the related provision for warranty is created and it is certain that such recoveries will be received if the Company incurs the warranty cost.

The estimates used for accounting for warranty liability/recoveries are reviewed periodically and revisions are made, as required.

(iv) E-Waste

Environment Liabilities E-Waste (Management) Rules, 2016, as amended, requires the Company to complete the Extended Producer Responsibility targets measured based on sales made in the preceding years, if it is a participant in the market during a financial year. Accordingly, the obligation event for e-waste obligation arises only if the Company participate in the markets in those years.

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.



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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.

Unallocated Corporate Expenses" 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) 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.

14.1 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):

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- 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 irrevokable 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



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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.

14.2 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

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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.

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



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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.

14.3 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.

15. 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

16 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.

17 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.

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Note 2 : Property, Plant and Equipment and Capital Work-in-progress

(₹ Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|-------------------------|-------------------------|
| Carrying amounts of: | | |
| Freehold land | 24 | 24 |
| Buildings | 238 | 289 |
| Plant and equipment | 310 | 237 |
| Furniture and Fixtures | 50 | 61 |
| Office Equipments | 190 | 136 |
| Vehicles | 28 | 36 |
| Total | 840 | 783 |
| Capital Work-in-progress (CWIP) | 21 | - |

| Particulars | Freehold land | Buildings | Plant and equipment* | Furniture and Fixtures | Office Equipments (Including computers & servers) | Vehicles | Total |
|--|------------------|--------------|-------------------------|------------------------------|---|-----------|--------------|
| Cost of Assets | | | | | | | |
| Gross carrying value at April 01, 2020 | 24 | 1,092 | 1,901 | 384 | 1,069 | 38 | 4,508 |
| Additions | - | 32 | 49 | 7 | 81 | 17 | 187 |
| Disposals | - | (93) | (55) | (73) | (138) | - | (360) |
| Balance at March 31, 2021 | 24 | 1,031 | 1,895 | 318 | 1,012 | 55 | 4,335 |
| Additions | - | 28 | 192 | 38 | 162 | - | 420 |
| Disposals | - | (27) | (134) | (36) | (70) | - | (264) |
| Balance at March 31, 2022 | 24 | 1,032 | 1,953 | 320 | 1,104 | 55 | 4,489 |

| Particulars | Freehold land | Buildings | Plant and equipment* | Furniture and Fixtures | Office Equipments (Including computers & servers) | Vehicles | Total |
|--|------------------|------------|-------------------------|------------------------------|---|-----------|--------------|
| Accumulated depreciation and impairment | | | | | | | |
| Gross carrying value at April 01, 2020 | - | 714 | 1,613 | 271 | 902 | 12 | 3,512 |
| Eliminated on disposals | - | (40) | (38) | (49) | (109) | - | (237) |
| Depreciation expense | - | 59 | 81 | 30 | 80 | 7 | 257 |
| Other adjustments | - | 9 | 2 | 5 | 3 | - | 19 |
| Balance at March 31, 2021 | - | 742 | 1,658 | 257 | 876 | 19 | 3,552 |
| Eliminated on disposals | - | (22) | (121) | (33) | (65) | - | (241) |
| Depreciation expense | - | 74 | 107 | 46 | 103 | 8 | 338 |
| Balance at March 31, 2022 | - | 794 | 1,644 | 270 | 914 | 27 | 3,649 |

| | | | | | | | |
|---|-----------|------------|------------|-----------|------------|-----------|------------|
| Carrying amount as on March 31, 2021 | 24 | 289 | 237 | 61 | 137 | 36 | 783 |
| Carrying amount as on March 31, 2022 | 24 | 238 | 310 | 50 | 190 | 28 | 840 |

* Includes net carrying amount value at ₹ 110 Lakhs (as at 31st March 2021, ₹ 95 Lakhs), of assets situated at Third party location

All the Immovable and Movable properties are held in the name of the Company.

CWIP aging schedule

Amount (₹ Lakhs)

| CWIP | Amount in CWIP for a period of | | | |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Projects in progress | 21 | - | - | - |
| Projects temporarily suspended | - | - | - | - |



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Note 3: Right of Use Assets*

| Particulars | (₹ Lakhs) | |
|-----------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Carrying amounts of: | | |
| Right of Use Assets | 515 | 628 |
| | 515 | 628 |

| Gross Carrying Amount | (₹ Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Balance at beginning of the year | 1,820 | 1,872 |
| Additions | 191 | 336 |
| Disposals | (25) | (388) |
| Balance at end of year | 1,986 | 1,820 |

| Accumulated depreciation and impairment | (₹ Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Balance at beginning of year | 1,192 | 705 |
| Eliminated on disposals | - | - |
| Amortization expense | 279 | 487 |
| Balance at end of year | 1,471 | 1,192 |
| Carrying amount at the beginning of the year | 628 | 1,167 |
| Carrying amount at end of the year | 515 | 628 |

* The lease contracts in respect of these assets are held in the name of the Company.

Note 4: Intangible Assets

| Particulars | (₹ Lakhs) | |
|-------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Carrying amounts of: | | |
| Trade Mark | 12 | - |
| Business Rights | 1,187 | 1,518 |
| Software and Licences | 71 | 9 |
| Intangible assets under development | 122 | 273 |
| Total | 1,392 | 1,800 |

Cost of Asset

| Particulars | (₹ Lakhs) | | |
|----------------------------------|--------------------------------------|--------------------------|------------|
| | Business Rights (Refer note 1) | Software and Licences | Trade Mark |
| Gross value as on April 01, 2020 | 3,263 | 336 | - |
| Additions | - | - | - |
| Disposals | - | (4) | - |
| Gross value as on March 31, 2021 | 3,263 | 332 | - |
| Additions | - | 76 | 14 |
| Disposals | - | (1) | - |
| Balance at March 31, 2022 | 3,263 | 407 | 14 |

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Accumulated depreciation and impairment

| Particulars | (₹ Lakhs) | | |
|---|-----------------|-----------------------|------------|
| | Business Rights | Software and Licences | Trade Mark |
| Balance at April 01, 2020 | 1,745 | 293 | - |
| Eliminated on disposals | - | (3) | - |
| Impairment recognised (refer note below) | - | - | - |
| Depreciation expense | - | 33 | - |
| Balance at March 31, 2021 | 1,745 | 323 | - |
| Impairment recognised (refer note below) | 331 | - | - |
| Depreciation expense | - | 14 | 2 |
| Effect of foreign currency exchange differences | - | - | - |
| Others | - | - | - |
| Balance at March 31, 2022 | 2,076 | 337 | 2 |
| Carrying amount as on March 31, 2021 | 1,518 | 9 | - |
| Carrying amount as on March 31, 2022 | 1,187 | 71 | 12 |

Note:

- 1) Business Rights relating to Customer Support Services business (Cash Generating Unit - CGU), 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 discounted cash flow method. The Company has assessed the business rights asset duly considering the changes arising out of post pandemic trends, evolving business models, underlying revenue streams and has determined an additional impairment charge of ₹ 331 Lakhs during the year ended 31 March 2022. This amount has been disclosed as Exceptional items in the statement of profit and loss."

- 2) Amortization expense of intangible asset have been included under 'Depreciation & amortization' expense in statement of profit and loss account.
- 3) Intangible assets under development aging schedule

| Particulars | (₹ Lakhs) | | |
|-------------------------------------|------------------|-----------|-------------------|
| | Less than 1 year | 1-2 years | More than 2 years |
| Intangible assets under development | 36 | 86 | - |



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Note 5 INVESTMENTS

(₹ Lakhs)

| Particulars | As at | |
|--|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| I. Unquoted Investments | | |
| (a) Investments in Equity Instruments at FVTOCI 6,00,000 (2020-21 - 6,00,000) shares of ₹ 10 each fully paid up in TVS Training and Services Limited. | 98 | 110 |
| Total Unquoted Investments - Non current | 98 | 110 |
| II. Quoted Investments | | |
| Investment in Mutual Funds at FVTPL | | |
| a) 32,067.76 (2020-21 - 60,088.72) units of IDFC Cash Fund - Growth at NAV of ₹2,571 (2020-21 - ₹2,486 per unit) | 824 | 1,494 |
| b) 1,40,46,765.99 (2020-21-839,567) units of IDFC Ultra Short Term Fund at NAV of ₹ 12.34 (2020-21-₹ 11.92 per unit) | 1,733 | 100 |
| c) 1,81,022.49 (2020-21 - Nil) units of ABSL Saving Fund - Growth at NAV of ₹ 445.31(2020-21-Nil) | 806 | - |
| Cost of Investment: Ultra Short Term: ₹ 1,716.01 Lakhs (2021 - ₹ 99.99 Lakhs) IDFC Cash Fund: ₹790.69 Lakhs (2021 - ₹1463.93 Lakhs) ABSL Saving Fund: ₹ 800.00 Lakhs (2021 - Nil) | | |
| Total Quoted Investments - Current | 3,363 | 1,594 |
| Total Investments | 3,461 | 1,704 |
| Current | 3,363 | 1,594 |
| Non-current | 98 | 110 |

Note 6 Other Financial Assets

(₹ in Lakhs)

| Particulars | Non-current | | Current | |
|-----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Unsecured, Considered Good | | | | |
| <i>At Amortised Cost</i> | | | | |
| (a) Security Deposits | 8 | 137 | 216 | 161 |
| (b) Interest receivable | - | - | 1 | 3 |
| (c) Unbilled revenue* | - | - | 757 | 641 |
| (d) Insurance claims | - | - | 12 | 32 |
| (e) Others | - | - | 72 | 57 |
| Less: Provisions | | | | |
| | 8 | 137 | 1,058 | 894 |

* Net of expected credit loss of Rs. 37 Lakhs (Previous year - ₹ 32 Lakhs)

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Note 7 Deferred tax balances

The details of deferred tax assets/(liabilities) is given below

| Particulars | (₹ in Lakhs) | |
|--------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Deferred tax assets | 158 | 163 |
| Deferred tax liabilities | (56) | (137) |
| | 102 | 26 |

| 2021-22 | (₹ in Lakhs) | | | |
|--|--------------------|---------------------------------|---|--------------------|
| | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Closing balance |
| Deferred tax (liabilities)/asset in relation to | | | | |
| Property plant and equipment, and Intangible Assets | (124) | 79 | - | (45) |
| Provision for Doubtful Debts and others | 114 | (36) | - | 78 |
| Financial assets at FVTOCI | (13) | - | 3 | (10) |
| Right to use Asset | 17 | (19) | - | (2) |
| Provision for Contingencies | - | 43 | - | 43 |
| Defined benefit obligation, Provision for compensated absences | 32 | (9) | 15 | 38 |
| Total | 26 | 58 | 18 | 102 |
| Tax losses | - | - | | - |
| Net Deferred Tax Assets / (Liability) | 26 | | | 102 |

| 2020-21 | (₹ in Lakhs) | | | |
|--|--------------------|---------------------------------|---|--------------------|
| | Opening balance | Recognised in profit or loss | Recognised in Other comprehensive income | Closing balance |
| Deferred tax (liabilities)/asset in relation to | | | | |
| Property plant and equipment, and Intangible Assets | (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 |
| Total | (2) | 26 | 2 | 26 |
| Net Deferred Tax Assets/(Liability) | (2) | | | 26 |



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Note 8 Other Assets

(₹ in Lakhs)

| Particulars | Non-current | | Current | |
|--|-------------------------|------------------------|-------------------------|------------------------|
| | As at March 31, 2022 | As at March 31,2021 | As at March 31, 2022 | As at March 31,2021 |
| Unsecured, Considered Good | | | | |
| (a) <i>Security Deposit*</i> | 2,509 | 2,509 | - | - |
| (b) Advances to suppliers | - | - | 797 | 619 |
| (c) Capital Advance | 11 | - | - | - |
| (d) Balance with Statutory authorities | 45 | 41 | 84 | 225 |
| less: provision | | | | |
| (e) Prepaid expenses | 11 | 13 | 55 | 43 |
| | 2,576 | 2,563 | 937 | 887 |

* Includes an amount of INR 2,500 lakhs paid to TVS Investments Private Limited as Indemnity Deposit. (Refer note 34)

Note 9 Inventories

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| <i>(At lower of cost and net realisable value)</i> | | |
| (a) Raw materials | 1,805 | 1,653 |
| (Goods in Transit - FY 2021-22 ₹ 421 Lakhs FY 2020-21 ₹ 566 Lakhs) | | |
| (b) Work-in-progress | - | - |
| (c) Finished goods | 452 | 349 |
| (Goods in Transit - FY 2021-22 ₹ 295 Lakhs FY 2020-21 ₹ 364 Lakhs) | | |
| (d) Stock-in-trade (Goods acquired for trading) | 2,435 | 1,694 |
| | 4,692 | 3,696 |

Notes:

- The cost of inventories recognised as an expense during the year is disclosed in Note 23
- The amount of inventory disclosed above is net of ₹ 579 Lakhs (during 2020-21 ₹ 518 Lakhs) on account of provision for slow moving / non moving inventory.

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Note 10. Trade Receivables

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| <i>Secured, considered good</i> | - | - |
| Unsecured, considered good | 3,515 | 2,767 |
| Unsecured, significant increase in credit risk | 327 | 454 |
| Credit Impaired | - | - |
| Receivables | 3,842 | 3,221 |
| Allowance for doubtful debts | (327) | (454) |
| Total Receivables (Net of Allowance for doubtful debts) | 3,515 | 2,767 |
| Current | 3,515 | 2,767 |
| Non-current | - | - |

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 | (₹ in Lakhs) | |
|---------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| 0-180 days | 3,293 | 2,707 |
| 181-365 days | 270 | 163 |
| More than 365 days | 278 | 351 |
| | 3,842 | 3,221 |

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% |

Additional provision, where required, has been made based on specific debtors and other conditions impacting recoverability.

| Movement in expected credit loss allowance | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Balance at beginning of the year | 454 | 172 |
| Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | (127) | 282 |
| Balance at end of the year | 510 | 454 |

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.



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Ageing information of Trade receivable are given below

(₹ in Lakhs)

| Particulars | (i) Undisputed Trade receivables – considered good | (ii) Undisputed Trade Receivables – which have significant increase in credit risk/ credit impaired | (iii) Disputed Trade Receivables considered good | (iv) Disputed Trade Receivables considered doubtful which have significant increase in credit risk/credit impaired | Total |
|--------------------|--|---|--|--|--------------|
| | Outstanding for following periods from due date of payment | | | | |
| Less than 6 Months | 3,293 | - | - | - | 3,293 |
| 6 Months to 1 Year | 255 | - | - | 15 | 270 |
| 1 to 2 Years | 98 | - | - | 56 | 154 |
| 2 to 3 Years | 111 | - | - | - | 111 |
| More than 3 Years | 14 | - | - | - | 14 |
| Total | 3,771 | - | - | 71 | 3,842 |

Trade receivables includes receivables outstanding from customers constituting individually 5% or more of the total trade receivables as at March 31, 2022 - ₹ Nil

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)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------|----------------------|----------------------|
| (a) Balances with banks | | |
| (i) In Current account | 978 | 799 |
| (ii) In Deposit account | 58 | 6 |
| (b) Cash on hand | 0 | 3 |
| | 1,036 | 808 |

Note 12 Other bank balances

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|----------------------|----------------------|
| (a) Balances with banks in earmarked accounts | | |
| - In Unpaid Dividend account | 57 | 28 |
| - In deposits with maturity above three months | - | 23 |
| | 57 | 51 |

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Note 13 - Non Current tax asset

| Particulars | (₹ in Lakhs) | |
|--------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Advance tax & TDS (net of provision) | 32 | 231 |
| Total | 32 | 231 |

Note 14 Equity Share Capital

| Particulars | (₹ in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| AUTHORISED : | | |
| Equity Shares: | | |
| 2,50,00,000 Equity Shares of ₹10 each | 2,500 | 2,500 |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 1,86,50,318 Equity Shares of ₹10 each | 1,865 | 1,865 |
| | 1,865 | 1,865 |

14.1 Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.

| Reconciliation | 2021-22 | | 2020-21 | |
|---|-------------------|--------------|-------------------|--------------|
| | No of Shares | (₹ in Lakhs) | No of Shares | (₹ Lakhs) |
| Equity Shares of ₹10 each fully paid up | | | | |
| At the beginning of the year | 18,650,318 | 1,865 | 18,650,318 | 1,865 |
| At the end of the year | 18,650,318 | 1,865 | 18,650,318 | 1,865 |

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 | | | |
|---|-------------------------|--------|----------------------|--------|
| | As at March 31, 2022 | | As at March 31, 2021 | |
| | Nos. | % | Nos. | % |
| TVS Investments Private Limited - (Holding Company) | 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



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14.5 Details of Shareholding of Promoter

| Name of the Promoter | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---------------------------------|----------------------|-------------------|--------------------------|----------------------|-------------------|--------------------------|
| | No. of shares | % of total shares | % Change during the year | No. of shares | % of total shares | % Change during the year |
| Promoter | | | | | | |
| Gopal Srinivasan* | 150 | 0.00 | | - | - | - |
| TVS Investments Private Limited | 11,160,093 | 59.84 | 0.00% | 11,160,093 | 59.84 | 0.00% |
| Promoter Group | | | | | | |
| Harita Properties LLP* | 12,500 | 0.07 | | - | - | - |
| Total | 11,172,743 | 59.91 | | 11,160,093 | 59.84 | |

*part of promoter group from current financial year

Note 15 Other equity

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|----------------------|----------------------|
| Capital reserve | 61 | 61 |
| Security Premium | 1,525 | 1,525 |
| General Reserve | 405 | 405 |
| Reserve for equity instruments through Other Comprehensive income | 30 | 38 |
| Retained Earnings | 5,375 | 4,285 |
| Total | 7,396 | 6,314 |

| RESERVES AND SURPLUS: | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------------------|---------------------------|---------------------------|
| (a) Capital reserve | 61 | 61 |
| (b) Securities Premium Account | | |
| Opening balance | 1525 | 1,525 |
| Add :Addition during the year | - | - |
| Closing balance | 1526 | 1,525 |
| (c) General Reserve | | |
| Opening balance | 405 | 405 |
| Add :Addition during the year | - | - |
| Closing balance | 405 | 405 |

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.

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(₹ in Lakhs)

| Particulars | Year ended | |
|---|----------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| (d) Reserve for equity instruments through Other Comprehensive income | | |
| Opening Balance | 38 | 28 |
| Additions/(Deletions) | (8) | 10 |
| Closing | 30 | 38 |
| 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. | | |
| (e) Retained Earnings | | |
| Opening Balance | 4,285 | 4,178 |
| Profit for the year | 1,510 | 77 |
| Other comprehensive income for the year, net of income tax | (47) | 30 |
| | 5,748 | 4,285 |
| Less : Appropriations | - | - |
| Dividend on Equity Shares (Gross of TDS)* | 373 | - |
| Closing Balance | 5,375 | 4,285 |

The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the Company and considering the requirements of the Companies Act, 2013. Thus, the amounts reported above are not distributable in entirety.

*Represents interim dividend of ₹ 2 per Equity share of face value of ₹10/- each for the year 2021-22 declared by the Board of Directors at their meeting held on 5th March 2022

Note 16 Provisions

(₹ in Lakhs)

| Particulars | Non-current | | Current | |
|--|----------------|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| a. Provision for compensated absences | - | - | 13 | 12 |
| b. Provision for Warranty (Refer note - 32b) | 162 | 130 | 502 | 635 |
| c. Provision for Claims and Contingencies (Refer note - 32c) | | | 170 | |
| | 162 | 130 | 685 | 647 |

Note 17 Other liabilities

(₹ in Lakhs)

| Particulars | Non-current | | Current | |
|---|----------------|----------------|----------------|----------------|
| | As at | As at | As at | As at |
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| a. Statutory remittances | - | - | 76 | 129 |
| b. Gratuity | - | - | 152 | 119 |
| c. Unexpired Annual Maintenance Contracts | 19 | 13 | 26 | 42 |
| d. Advance from customers | - | - | 511 | 300 |
| | 19 | 13 | 765 | 590 |



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Note 18 Current Tax Liability

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|-------------------------|-------------------------|
| Income Tax payable (net of advance tax & TDS) | 130 | - |
| Total | 130 | - |

Note 19 Short Term Borrowings

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|------------------------------------|-------------------------|-------------------------|
| Secured - at amortised cost | | |
| a. Bills Discounting | 376 | - |
| - from banks | | |
| | 376 | - |

- a. The Company has working capital facilities from Banks which are secured by hypothecation of raw materials, components, Work in Progress, finished goods, book debts, stores and spares. The amount outstanding as at March 31, 2022 is nil. The quarterly returns or statement of current assets filed by the company with banks are in agreement with books of accounts.
- b. Bills discounting facility from Banks are secured against invoices outstanding from our debtors.

Note 20 Trade Payables

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Trade payables | | |
| - Total outstanding dues of micro enterprises and small enterprises | 383 | 328 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,846 | 5,437 |
| Employee related payables | 444 | 265 |
| Total Payable to other than micro enterprises and small enterprises | 7,290 | 5,702 |
| | 7,673 | 6,030 |

Ageing information of Trade Payable are given below

(₹ in lakhs)

| Particulars | Less than 1 Year | 1 to 2 Years | 2 to 3 Years | More than 3 Years | Total |
|---------------------------|---------------------|-----------------|-----------------|----------------------|--------------|
| (i) MSME | 383 | - | - | - | 383 |
| (ii) Others | 6,835 | - | - | 11 | 6,846 |
| (iii) Disputed Dues MSME | - | - | - | - | - |
| (iv) Disputed Dues Others | - | - | - | - | - |
| Total | 7,218 | - | - | 11 | 7,229 |

Note:

- a) Of this an amount of ₹ 383 lakhs (2021 - ₹328 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.

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Note 21 Other financial liabilities

(₹ in Lakhs)

| Particulars | Non-current | | Current | |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| At Amortised Cost | | | | |
| (a) Unclaimed dividends | - | - | 57 | 28 |
| (b) Security deposit | - | - | 450 | 690 |
| At Fair Value through profit or loss | | | | |
| (a) MTM liability not designated through hedge relationship | - | - | 7 | 1 |
| Liability towards financial guarantee contracts Refer note below | - | - | 150 | - |
| | - | - | 664 | 719 |
| Lease Liabilities (Refer Note 32d) | 268 | 352 | 239 | 315 |
| Total | 268 | 352 | 904 | 1,034 |

The Company has transferred a group of financial assets in the form of trade receivables to a financial institution during the year and the amount outstanding in respect of the same as at 31 March 2022 is ₹ 441 lakhs. The Company also has a first default loss guarantee in respect of any losses that could arise on account of the above to the extent of Rs. 150 lakhs, which has been accounted here as a liability towards the financial guarantee contract with a corresponding receivable of Rs. 150 lakhs under Trade receivables.

Note 22 Revenue from operations

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (a) Sale of Products - Manufactured Goods | 13,957 | 8,607 |
| (b) Sale of Products - Distribution Business (Refer note 37) | - | 1,619 |
| (c) Sale of Products - Traded Goods | 7,026 | 5,722 |
| (d) Sale of Services | 9,764 | 6,464 |
| (e) Other operating revenues | 45 | 49 |
| | 30,792 | 22,460 |

Note 23 Other Income

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (a) Interest income earned on financial assets that are not designated at fair value through profit / loss | | |
| On bank deposits (at amortised cost) | 3 | 26 |
| On security deposits | 10 | 18 |
| On delayed receipts | 2 | 14 |
| On Income Tax refund | 4 | 7 |
| (b) Profit on sale of Property, Plant and Equipment | 1 | 7 |
| (c) Profit on sale of investments | 18 | - |
| (d) Net gain arising on financial assets measured at FVTPL | 57 | 10 |
| (e) Net gain on foreign currency transaction and translation | 23 | 22 |
| (f) Rental income on sub-lease | - | 32 |
| (g) Liabilities no longer required written back | - | 32 |
| (h) Other non-operating income | 5 | 38 |
| | 123 | 206 |



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Note 24 Cost of material consumed

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Opening stock of raw materials and components | 1,653 | 1,224 |
| Add: Purchases | 10,692 | 6,394 |
| Total | 12,345 | 7,618 |
| Less: Closing stock of raw materials and components | 1,805 | 1,653 |
| Consumption of raw material and components | 10,540 | 5,965 |

Note 25 Purchases of Stock-in-trade

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------|------------------------------|------------------------------|
| Purchases of Stock-in-trade | 5,585 | 5,333 |
| Total | 5,585 | 5,333 |

Note 26 Changes in Inventories of finished goods, work-in-progress and stock in trade

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Opening Stock: | | |
| Finished goods | 349 | 378 |
| Stock-in-trade | 1,694 | 1,465 |
| Total | 2,043 | 1,843 |
| Closing Stock: | | |
| Finished goods | 452 | 349 |
| Stock-in-trade | 2,449 | 1,694 |
| Total | 2,901 | 2,043 |
| Decrease / (Increase) in Stocks | (858) | (200) |

Note 27 Employee Benefit expense

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| (a) Salaries, Wages and Bonus | 3,626 | 2,798 |
| (b) Contribution to Provident and Other Funds | 175 | 151 |
| (c) Workmen and Staff Welfare Expenses | 206 | 122 |
| Total | 4,007 | 3,071 |

Note 28 Finance Costs

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---------------------------|------------------------------|------------------------------|
| (a) Interest | | |
| On term loans | - | - |
| On lease liabilities | 59 | 77 |
| On others | 37 | 113 |
| (b) Other borrowing costs | - | - |
| Total | 96 | 190 |

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Note 29 Depreciation and amortisation expense

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|-----------------------------------|------------------------------|------------------------------|
| Depreciation/amortisation on | | |
| (a) Property, plant and equipment | 338 | 257 |
| (b) Right to use assets | 279 | 487 |
| (c) Intangible assets | 16 | 33 |
| Total | 633 | 777 |

Note 30 Other expenses

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| (a) Consumption of Stores, Spares and Consumables | 49 | 47 |
| (b) Power and Fuel | 99 | 100 |
| (c) Rent | 333 | 174 |
| (d) Repairs and Maintenance | | |
| - Buildings | 246 | 228 |
| - Plant and Machinery | 79 | 44 |
| - Others | 401 | 325 |
| (e) Insurance | 165 | 106 |
| (f) Rates and Taxes | 185 | 26 |
| (g) Auditors' Remuneration (refer note 33 (iii)) | 26 | 23 |
| (h) Directors' Fees and Commission | 51 | 20 |
| (i) Loss on Sale & discard of Assets | 22 | 80 |
| (j) Travelling & conveyance | 489 | 366 |
| (k) Legal & consultancy | 562 | 381 |
| (l) Outsource staffing services | 1,961 | 1,951 |
| (m) Carriage outwards | 700 | 444 |
| (n) Corporate Social Responsibility expense (refer note 33 (iv)) | 20 | 30 |
| (o) Provision for Expected Credit Losses | 96 | 266 |
| (p) Warranty expenses | 1,578 | 970 |
| (q) Authorised service provider expense | 1,370 | 1,403 |
| (r) Miscellaneous expenses | 447 | 452 |
| Total | 8,879 | 7,436 |



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31. Earnings per Share:

| Particulars | For the Year ended March 31, 2022 | For the Year ended March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Basic Earnings per share (Amt in ₹) | 8.10 | 0.41 |
| Diluted Earnings per share (Amt in ₹) | 8.10 | 0.41 |

31.1 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, 2022 | For the Year ended March 31, 2021 |
|---|--------------------------------------|--------------------------------------|
| Profit after Taxation (₹in Lakhs) | 1,510 | 77 |
| Earnings used in the calculation of basic earnings per share | 1,510 | 77 |
| Weighted Average number of Equity Shares | 18,650,318 | 18,650,318 |
| Earnings Per Equity Share (Nominal value per share ₹ 10) | | |
| (a) Basic (Amt in ₹) | 8.10 | 0.41 |
| (b) Diluted (Amt in ₹) | 8.10 | 0.41 |

(₹in Lakhs)

Note 32a. 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, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Sale of goods | 20,983 | 15,947 |
| B2B Services (In-Warranty, E-auction & others) | 8,393 | 5,899 |
| B2C Services (Out of warranty Services) | 1,003 | 510 |
| Others | 413 | 104 |
| Total revenue from contracts with customers | 30,792 | 22,460 |

(₹in Lakhs)

| Major product/service lines | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Products & services transferred at point in time | 30,731 | 22,406 |
| Services transferred over a period of time | 60 | 54 |
| Total revenue from contracts with customers | 30,792 | 22,460 |

(₹in Lakhs)

| Category of customer | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Institutional - Govt / BFSI - Sale of Products | 5,168 | 2,867 |
| Retail - ADP, Channel & outlets - Sale of Products | 15,619 | 11,062 |
| Others (Including IT products related companies, Retail Customers) | 10,004 | 8,531 |
| Total revenue from contracts with customers | 30,792 | 22,460 |

(₹in Lakhs)

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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 revaluations, 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.

(₹ in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|--|-------------------------|-------------------------|
| Unamortised portion of service contracts | 39 | 55 |
| Total | 39 | 55 |

Contract liability

Changes in Unearned income / deferred revenue and advance from customers are as follows:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|---|------------------------------|------------------------------|
| Balance at the beginning of the year | 55 | 59 |
| Additions (on account of invoicing during the year or advance received from the customer during the year) | 45 | 50 |
| Revenue recognized that was included in the unearned income / deferred revenue / advance received from customers balance at beginning of the year | (60) | (54) |
| Balance at the end of the year | 40 | 55 |

Reconciliation of revenue recognised with the contract price is as follows:

(₹ in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--|------------------------------|------------------------------|
| Contract price (as reflected in the signed contract with customer) | 35,030 | 27,332 |
| Reduction towards amounts payable to customer: | - | - |
| Amounts paid/payable to the brand | - | - |
| Reduction towards variable components: | - | - |
| -Direct commission | 192 | 162 |
| -Parts cost | 4,047 | 4,710 |
| Revenue recognized | 30,792 | 22,460 |

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 obligation 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.



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32b. Movement of Provision for Product Warranty

(₹in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------------|------------------------------|------------------------------|
| Balance at the beginning of the year | 765 | 740 |
| Provisions made during the year | 783 | 656 |
| Claims Settled during the year | (884) | (631) |
| Balance at the end of the year | 664 | 765 |

Recognised under Provision (Refer note 16)

(₹in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------|------------------------------|------------------------------|
| Non-current | 162 | 130 |
| Current | 502 | 635 |
| Total | 664 | 765 |

Provision represents estimate made for probable liabilities / claims relating to warranty. The outflow would depend on receipt of claims during the period.

32c. Movement of Provision for Claims and Contingencies

(₹in Lakhs)

| Particulars | Year ended March 31, 2022 | Year ended March 31, 2021 |
|--------------------------------------|------------------------------|------------------------------|
| Balance at the beginning of the year | - | - |
| Provisions made during the year | 170 | - |
| Claims Settled during the year | - | - |
| Balance at the end of the year | 170 | - |

Note - Provision for contingencies represents the estimated provision made for probable liabilities relating to certain claim/ other matters. Whilst the provision is considered short term in nature, the actual outflow with regard to the said matters depends on the exhaustion of the remedies available under the law and, hence, the Company is not able to reasonably ascertain the timing of the outflow. No recoveries are expected in respect of the same.

Note 32d.

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, 2022

(₹in Lakhs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|-------------------------|-------------------------|
| Current lease liabilities | 239 | 315 |
| Non-current lease liabilities | 268 | 352 |
| Total | 507 | 667 |

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B. Movement in Lease liabilities :

The following is the movement in lease liabilities during the year ended March 31, 2022:

| Particulars | (₹in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Opening Balance | 667 | 1,196 |
| Finance costs accrued during the period | 60 | 77 |
| Payment of Lease liabilities | (336) | (547) |
| Other Adjustments on account of change in lease terms (net) | 117 | (59) |
| Closing Balance | 507 | 667 |

C. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

| Particulars | (₹in Lakhs) | |
|---------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Less than one year | 278 | 365 |
| One to five years | 313 | 411 |
| More than five years | - | - |
| Total | 591 | 776 |

D. Amounts recognized in profit or loss

| Particulars | (₹in Lakhs) | |
|---|-------------|---------|
| | 2021-22 | 2020-21 |
| Interest on lease liabilities | 59 | 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 Cash flow

| Particulars | (₹in Lakhs) | |
|--------------------------------|-------------|---------|
| | 2021-22 | 2020-21 |
| Total cash outflows for leases | 336 | 466 |



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33 OTHER DISCLOSURES

(i) Contingent liabilities

| (₹in Lakhs) | | |
|---|----------------|----------------|
| Details | March 31, 2022 | March 31, 2021 |
| (i) Claims against the company not acknowledged as debt | | |
| Income tax | - | 41 |
| Value added tax, CST and GST | 54 | 13 |
| Others | 108 | 108 |

Note - Show Cause/ Other notices pending formal demand order are not considered as contingent liabilities.

(ii) Capital commitments

| (₹in Lakhs) | | |
|---|----------------|----------------|
| Details | March 31, 2022 | March 31, 2021 |
| (i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances) | 1,837 | 241 |

(iii) Audit Fees

| (₹in Lakhs) | | |
|---------------------------|----------------|----------------|
| Details | March 31, 2022 | March 31, 2021 |
| As statutory auditors | 16 | 15 |
| Tax Audit | 2 | 2 |
| Other services | 8 | 3 |
| Reimbursement of expenses | - | 3 |
| Total | 26 | 23 |

(iv) Expenditure incurred on Corporate Social Responsibility activities:

| (₹in Lakhs) | | |
|---|----------------|----------------|
| Details | March 31, 2022 | March 31, 2021 |
| (a)Gross amount required to be spent by the Company during the year | 15 | 24 |
| (b) Amount spent during the year in cash | 20 | 30 |
| (c) short fall at the end of the year | - | - |
| (d) Previous year shortfall | - | - |
| (e) Reason for shortfall | - | - |
| (f) Nature of CSR Activities | - | - |
| (g) Contribution to a trust controlled by the company | - | - |

(v) Exceptional Items

'Exceptional item of ₹ 49 lakhs (net) comprises (a) an additional impairment charge of ₹ 331 lakhs based on Company's assessment of the business rights asset related to Customer Support Services, duly considering the changes arising out of post pandemic trends, evolving business models, underlying revenue streams and; (b) liabilities no longer required written back of ₹ 380 lakhs related to the Fulfillment & distribution services which was since combined with Products & Solutions.

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34. Related Party Disclosure for the year ended March 31, 2022 (as required under Ind AS 24)

34.1 Holding companies

T.V.Sundram Iyengar & Sons Private Limited (Ultimate Holding Company) (upto Feb 04, 2022)
TVS Investments Private Limited (Holding Company of Reporting Entity)

34.2 Other Related Parties with whom transactions have been made during the year

Fellow Subsidiaries:

Sundaram-Clayton Limited (upto Feb 04, 2022)
TVS Motor Company Limited (upto Feb 04, 2022)
TVS Capital Funds Private Limited
Harita Techserv Limited
Brakes India Private Limited
Emerald Haven Reality Limited (upto Feb 04, 2022)
Harita Fehrer Limited (upto Feb 04, 2022)
Harita Seating System Limited (upto Feb 04, 2022)
Sundaram Auto Components Limited (upto Feb 04, 2022)
Sundaram Industries Private Limited (upto Feb 04, 2022)
Sundaram Fastners Limited (upto Feb 04, 2022)
TVS Credit Services Limited (upto Feb 04, 2022)
TVS Logistics Services Limited (upto Feb 04, 2022)
TVS Upasna Limited (upto Feb 04, 2022)
International Money Matters Pvt Ltd
WIL Car Wheels Limited (upto Feb 04, 2022)
Wheels India Limited (upto Feb 04, 2022)

34.3 Key Management Personnel (KMP)

Mr. Gopal Srinivasan (Chairman)
Mrs. Srilalitha Gopal (Managing Director)

34.4 Transactions with related parties

| Particulars | (₹ in Lakhs) | |
|--|----------------|----------------|
| | 2021-22 Amt | 2020-21 Amt |
| Services availed | | |
| a. Sundaram-Clayton Limited, Chennai | - | 14 |
| b. TVS Investments Private Limited, Chennai | 41 | 52 |
| c. TVS Capital Funds Private Limited, Chennai | 60 | 71 |
| d. Harita Techserv Private Limited | 17 | 15 |
| e. International Money Matters Private Limited | 3 | 7 |
| Sale of Materials / Fixed Assets | | |
| a. TVS Motor Company Limited, Chennai | 15 | 15 |
| Services rendered | | |
| a. Brakes India Private Limited | 19 | 12 |
| b. Emerald Haven Reality Limited | - | - |
| c. TVS Motor Company Limited | 211 | 194 |



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| Particulars | (₹ in Lakhs) | |
|---|----------------|----------------|
| | 2021-22 Amt | 2020-21 Amt |
| d. Harita Fehrer Limited | - | 15 |
| e. Harita Seating Systems Limited | 6 | 6 |
| f. TVS Capital Funds Private Limited | 17 | 6 |
| g. Sundaram Auto Components Limited | 15 | 6 |
| h. Sundaram Industries Private Limited | 2 | 1 |
| i. Sundaram Fastners Limited | - | - |
| j. Sundaram-Clayton Limited | 108 | 77 |
| k. TVS Credit Services Limited | 4 | - |
| l. TVS Logistics Services Limited | - | 2 |
| m. TVS Upasana Limited | 3 | 19 |
| n. Wheels India Limited | 34 | 4 |
| o. International Money Matters Pvt Ltd | 2 | 8 |
| p. WIL Car Wheels Limited | 12 | 9 |
| q. Harita Techserv Limited | 4 | - |
| r. TVS Investments Private Limited | 1 | - |
| Compensation of Key Management Personnel | | |
| a. Short term benefits | 140 | 89 |
| Reimbursement paid (As agent) | | |
| a. Brakes India Private Limited | 1,540 | 997 |
| Reimbursement (Received) | | |
| a. TVS Capital Funds Private Limited | - | 17 |
| b. TVS Investments Private Limited | - | 1 |
| Closing Balance | | |
| a) Trade Receivables | | |
| a. Sundaram-Clayton Limited, Chennai | - | 28 |
| b. TVS Motor Company Limited, Chennai | - | 3 |
| c. TVS Capital Funds Private Limited, Chennai | 0 | - |
| d. Brakes India Private Limited | - | 1 |
| e. Sundaram Fasteners Limited | - | - |
| f. TVS Credit Services Limited | - | 1 |
| g. Wheels India Limited | - | 5 |
| h. International Money Matters Private Limited | 0 | - |
| i. WIL Car Wheels Limited | - | 2 |
| j. Harita Techserv Limited | 1 | - |
| k. Harita Fehrer Limited | - | - |
| l. Sundaram Auto Components Limited | - | - |
| m. TVS Upasana Limited | - | - |
| l. other related parties | - | - |
| b) Indemnity Deposit | | |
| a. TVS Investments Private Limited, Chennai | 2,500 | 2,500 |
| c) Trade Payables | | |
| a. TVS Investments Private Limited, Chennai | - | 11 |
| b. TVS Capital Funds Private Limited, Chennai | 5 | 10 |
| c. International Money Matters Private Limited | 2 | 3 |
| d. Sundaram-Clayton Limited, Chennai | - | 11 |
| e. Harita Techserv Limited, Chennai | - | - |

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35. Income taxes

| Particulars | (₹ in Lakhs) | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2022 | Year ended March 31, 2021 |
| 35.1 Income tax recognised in profit or loss | | |
| Current tax | | |
| In respect of current year | 630 | 43 |
| In respect of prior years | - | - |
| Deferred tax | | |
| In respect of current year | (58) | (26) |
| Others | | |
| Total income tax expense | 572 | 17 |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| Particulars | (₹ in Lakhs) | |
|--|--------------|-----------|
| | 2021-22 | 2020-21 |
| (Loss) / Profit before tax | 2,081 | 94 |
| Income tax expense calculated at 25.17% | 524 | 24 |
| Effect of income that is exempt from taxation | - | - |
| Effect of expenses that are not deductible in determining taxable profit | 106 | 19 |
| Effect of other temporary differences now recognised as DTA, net (including effect of rate change) | (58) | (26) |
| | 572 | 17 |
| Adjustments recognised in current year relating to current tax of previous years | - | - |
| Income tax expense recognised in profit or loss | 572 | 17 |

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.

35.2 Income tax recognised in other comprehensive income

| Particulars | (₹ in Lakhs) | |
|--|--------------|------------|
| | 2021-22 | 2020-21 |
| Deferred tax | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| Net fair value gain on investments in equity shares at FVTOCI | (18) | (2) |
| Remeasurement of defined benefit obligation | - | - |
| Total income tax recognised in other comprehensive income | (18) | (2) |



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36. Financial Instruments

36.1 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 | (₹in Lakhs) | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| Debt * | 376 | - |
| Cash and cash equivalents | 1,036 | 808 |
| Net debt | - | - |
| Equity** | 9,261 | 8,179 |
| Total capital (Net Debt+Equity) | 9,261 | 8,179 |
| Net debt to equity ratio | 0.00 | 0.00 |

*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.

| Particulars | (₹in Lakhs) | |
|---|-------------------------|-------------------------|
| | As at March 31, 2022 | As at March 31, 2021 |
| 36.2 Categories of financial instruments | | |
| Financial assets | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Mandatorily measured: | | |
| (i) Other investments | 3,363 | 1,594 |
| Measured at amortised cost | | |
| (a) Cash and bank balances | 1,036 | 860 |
| (b) Other financial assets | 4,580 | 3,798 |
| Measured at FVTOCI | | |
| (a) Investments in equity instruments designated upon initial recognition | 98 | 110 |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Derivatives not designated in hedge accounting relationships | - | - |
| Financial liabilities | | |
| Measured at fair value through profit or loss (FVTPL) | | |
| (a) Derivatives not designated in hedge accounting relationships | - | 1 |
| Measured at amortised cost | | |
| (a) Other financial liabilities | 9,221 | 7,415 |

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36.3 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.

36.4 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.

36.5 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 remaining unhedged at the end of the reporting period.

| Currency | Liabilities as at (Amount in Lakhs) | |
|----------|-------------------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| USD | 8 | 9 |
| CHF | - | 1 |
| SGD | - | 1 |
| EURO | - | - |
| JPY | (5) | - |

Foreign currency forward contracts outstanding as at Balance Sheet date:

| Currency | Liabilities as at (Amount in Lakhs) | |
|----------|-------------------------------------|----------------|
| | March 31, 2022 | March 31, 2021 |
| USD | 23 | 17 |



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36.5.1 Foreign Currency sensitivity analysis

The following table details the company's sensitivity to a 10% increase and decrease in the ₹ 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 ₹ strengthens 10% against the relevant currency. For a 10% weakening of the ₹ against the relevant currency, there would be a comparable impact on the profit or equity.

| Particulars | INR impact (₹ in Lakhs) | | | | | | | | | |
|----------------|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | USD | | EUR | | SGD | | CHF | | JPY | |
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| Profit or loss | 57 | 66 | (2) | 2 | - | 4 | - | 6 | 0 | - |

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.

36.6 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 does not have any long term debt as at reporting date. The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

36.6.1 Interest rate sensitivity analysis

The Company does not have any borrowing from the markets that is exposed to variations in the interest rates as at the Balance Sheet date.

36.7 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.

36.7.1 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 ;

(₹ in Lakhs)

| Particulars | For the year ended 31 st March 2022 | For the year ended 31 st March 2021 |
|---------------|--|--|
| Impact on OCI | 1.0 | 1.0 |

36.8 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.

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36.9 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.

36.9.1 Liquidity and interest risk tables

The amounts included in the following table for financial guarantee contracts are the maximum amount the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to the guarantee (see note 34). Based on expectations at the end of the reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses. The contractual maturity is based on the earliest date on which the Group 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, 2022

| Particulars | | | | | (₹ in Lakhs) | |
|-----------------------------|---------------------|----------|------------|---------|-------------------------------|--------------------|
| | Less than 1 year | 1-3 year | 3 - 5 year | 5+years | Total contractual cash ows | Carrying amount |
| Trade payables | 7,218 | - | 11 | - | 7,229 | 7,229 |
| Borrowings | 376 | - | - | - | 376 | 376 |
| Other financial liabilities | 150 | - | - | - | 150 | 150 |

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2021

| Particulars | | | | | (₹ in Lakhs) | |
|-----------------------------|---------------------|----------|------------|---------|-------------------------------|--------------------|
| | Less than 1 year | 1-3 year | 3 - 5 year | 5+years | Total contractual cash ows | Carrying amount |
| Trade payables | 6,030 | - | - | - | 6,030 | 6,030 |
| Borrowings | - | - | - | - | 0 | - |
| Other financial liabilities | 2,549 | 352 | - | - | 2,901 | 2,901 |

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. 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.



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36.10 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).

(₹in Lakhs)

| Particulars | Fair value hierarchy | As at March 31, 2022 | | | As at March 31, 2021 | | |
|--|----------------------|----------------------|-----------------------------------|------------------------|----------------------|-----------------------------------|------------------------|
| | | Amortised cost | Fair Value through profit or loss | Fair Value through OCI | Amortised cost | Fair Value through profit or loss | Fair Value through OCI |
| Financial assets | | | | | | | |
| Financial assets at amortised cost: | | | | | | | |
| - Trade receivables | Level 2 | 3,515 | - | - | 2,767 | - | - |
| - Cash and cash equivalents | Level 2 | 1,036 | - | - | 808 | - | - |
| - Bank balances other than cash and cash equivalents | Level 2 | 57 | - | - | 51 | - | - |
| - Investments in Mutual funds | Level 1 | - | 3,363 | - | - | 1,594 | - |
| - Investments in equity instruments | Level 3 | - | - | 98 | - | - | 110 |
| - Other financial assets | Level 2 | 1,065 | - | - | 1,031 | - | - |

(₹in Lakhs)

| Particulars | Fair value hierarchy | As at March 31, 2022 | | | As at March 31, 2021 | | |
|--|----------------------|----------------------|-----------------------------------|------------------------|----------------------|-----------------------------------|------------------------|
| | | Amortised cost | Fair Value through profit or loss | Fair Value through OCI | Amortised cost | Fair Value through profit or loss | Fair Value through OCI |
| Financial liabilities | | | | | | | |
| Financial liabilities at amortised cost: | | | | | | | |
| Borrowings | Level 2 | 376 | - | - | - | - | - |
| Trade payables | Level 2 | 7,673 | - | - | 6,030 | - | - |
| Other financial liabilities | Level 2 | 1,172 | - | - | 1,385 | - | - |

The Management assessed that fair value of cash and short-term deposits, trade receivables, other current assets, trade payables, book overdrafts 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.

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Note 37: Segment revenues, results and other information

(₹ in Lakhs)

| Particulars | March 31, 2022 | | | March 31, 2021 | | | |
|---|----------------------|----------------------------|---------------|-----------------------|----------------------------|---------------------------------------|---------------|
| | Products & Solutions | Customer Support Services* | Total | Products & Solutions* | Customer Support Services* | Fulfillment & Distribution Services # | Total |
| Revenue from Operations | | | | | | | |
| External Sales | 20,925 | 9,867 | 30,792 | 13,943 | 6,898 | 1,619 | 22,460 |
| Less: Inter Segment Sales - Elimination | - | - | - | - | - | - | - |
| Net Revenue | 20,925 | 9,867 | 30,792 | 13,943 | 6,898 | 1,619 | 22,460 |
| Segmentwise results before interest and tax and Exceptional items | 1,950 | 55 | 2,005 | 765 | (746) | 59 | 78 |
| Add: Exceptional Items (Refer 33 (v)) | 400 | (351) | 49 | - | - | - | - |
| Segmentwise results before interest and tax and After Exceptional items | 2,350 | (296) | 2,054 | - | - | - | - |
| Add: Interest Income | - | - | 19 | - | - | - | 52 |
| Add: Other unallocable Income | - | - | 109 | - | - | - | 154 |
| Less: Finance Costs | - | - | (96) | - | - | - | (190) |
| Less: other unallocable expense | - | - | - | - | - | - | - |
| Profit from ordinary activities before tax and after exceptional items | - | - | 2,082 | - | - | - | 94 |
| Less: Tax expense | - | - | 572 | - | - | - | 17 |
| Profit After Tax | - | - | 1,510 | - | - | - | 77 |
| Segment Assets | 10,620 | 4,931 | 15,552 | 8,179 | 5,784 | 192 | 14,155 |
| Unallocated segment assets | - | - | 4,690 | - | - | - | 2,820 |
| Total Assets | - | - | 20,242 | - | - | - | 16,975 |
| Segment Liabilities | 6,957 | 3,518 | 10,475 | 5,491 | 3,134 | 171 | 8,796 |
| Unallocated segment liabilities | - | - | - | - | - | - | - |
| Total Liabilities | - | - | 10,475 | - | - | - | 8,796 |
| Capital Expenditure | 192 | 302 | 494 | 33 | 132 | - | 165 |
| Segment depreciation/amortisation (other than Right to use) | 162 | 176 | 238 | 76 | 143 | - | 219 |
| Non-cash expenses / (income) other than depreciation / amortisation | - | - | - | - | - | - | - |

With effect from April 01, 2021, the Company has combined the "Fulfillment and distribution services" segment with the "Products & Solutions" segment based on an assessment of operations of the Chief Operating Decision Maker (CODM). Accordingly, the Company has the following two business segments as per Ind AS 108:

(i) Products & Solutions; (ii) Customer Support Services

Information by Geographic market

(₹ in Lakhs)

| Particulars | March 31, 2022 | | | March 31, 2021 | | |
|--------------------|----------------|--------|--------|----------------|--------|--------|
| | India | Others | Total | India | Others | Total |
| Revenue | 29,272 | 1,519 | 30,792 | 22,460 | - | 22,460 |
| Non Current Assets | 5,344 | - | 5,584 | 5,774 | - | 6,278 |



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38. Employee benefit plans

A. Defined contribution plans :

The Company makes provident fund contributions and National Pension fund contributions for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Contributions payable by the Company are at rates specified in the rules of the Schemes/Policy and the details of expense recognised during the year on account of such defined benefit plan is ₹ 170 Lakhs (Previous year ₹ 134 Lakhs)

B. Defined benefit plans :

Gratuity -

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to the employees on retirement or termination of employment. 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, 2022. 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) | |
|--|-------------------|-------------------|
| | 2021-22 ₹ Lakh | 2020-21 ₹ Lakh |
| Present Value of obligations at the beginning of the year | 375 | 384 |
| Current service cost | 58 | 63 |
| Interest Cost | 22 | 21 |
| Acquisition / Divestitures / Adjustments | - | - |
| Re-measurement (gains)/losses: | - | - |
| - Actuarial gains and losses arising from change in financial assumption | 63 | (22) |
| - Actuarial gains and losses arising from experience adjustment | - | - |
| Benefits paid | (17) | (71) |
| Present Value of obligations at the end of the year | 501 | 375 |
| Changes in the fair value of planned assets | | |
| Fair value of plan assets at beginning of year | 260 | 241 |
| Interest Income | 18 | 14 |
| Return on plan assets | 2 | 2 |
| Acquisition / Divestitures / Adjustments | - | - |
| Other charges | (4) | (4) |
| Contributions from the employer | 94 | 70 |
| Benefits Paid | (17) | (63) |
| Fair Value of plan assets at the end of the year | 353 | 260 |

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| Particulars | Gratuity (Funded) | |
|--|-------------------|-------------------|
| | 2021-22 ₹ Lakh | 2020-21 ₹ Lakh |
| Amounts recognized in the Balance Sheet | | |
| Projected benefit obligation at the end of the year | 501 | 375 |
| Fair value of plan assets at end of the year | 353 | 260 |
| Funded status of the plans – Liability recognised in the balance sheet | 148 | 115 |
| Components of defined benefit cost recognised in profit or loss | | |
| Current service cost | 58 | 63 |
| Net Interest Expense | 4 | 7 |
| Net Cost in Profit or Loss | 62 | 70 |
| Components of defined benefit cost recognised in Other Comprehensive income | | |
| Remeasurement on the net defined benefit liability: | | |
| - Actuarial gains and losses arising from change in financial assumption | 63 | (22) |
| - Actuarial gains and losses arising from experience adjustment | - | - |
| Return on plan assets | (2) | (2) |
| Net Cost in Other Comprehensive Income | 61 | (24) |

| | March 31,2022 | March 31,2021 |
|---|-----------------------------|------------------|
| Assumptions | | |
| Discount rate | 5.50% to 6.80% | 4.90% to 6.40% |
| Expected rate of salary increases | 10.00% | 9.00% |
| Expected rate of attrition | 13.00% to 37.00% | 13.00% to 37.00% |
| Average age of members | 35.27 | 35.10 |
| Average remaining working life (Against Retirement age of 58) | 22.73 | 22.90 |
| 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 31,2022 | March 31,2021 |
|--------------------|---------------|---------------|
| Discount rate | | |
| - 1% increase | 19 | 15 |
| - 1% decrease | (20) | (14) |
| Salary growth rate | | |
| - 1% increase | (15) | (12) |
| - 1% decrease | 13 | 10 |

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.



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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 / 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:

| Assumptions | 2021-2022 | 2020-2021 |
|-----------------------------------|------------------|-----------|
| Discount rate | 5.50% to 6.80% | NA |
| Attrition Rate | 13.00% to 37.00% | NA |
| Expected rate of salary increases | 10.00% | NA |

Note 39 Ratios

| Particulars | Current period | | | Previous period | | | Variance |
|---|----------------|-------------|-------|-----------------|-------------|-------|----------|
| | Numerator | Denominator | Ratio | Numerator | Denominator | Ratio | %* |
| (a) Current ratio (In times) | 14,658 | 10,532 | 1.39 | 10,697 | 8,301 | 1.29 | 8% |
| (b) Debt-equity ratio (In times) | 376 | 9,261 | 0.04 | - | 8,179 | - | 0% |
| (c) Debt service coverage ratio (In times) | 2,262 | 615 | 3.68 | 1,124 | 315 | 3.57 | 3% |
| (d) Return on equity ratio (in %) | 1,510 | 9,261 | 0.16 | 77 | 8,179 | 0.01 | 1621% |
| (e) Inventory turnover ratio (In times) | 30,792 | 4,194 | 7.34 | 11,098 | 3,381 | 3.28 | 124% |
| (f) Trade receivables turnover ratio (In times) | 30,792 | 3,141 | 9.80 | 22,460 | 3,511 | 6.40 | 53% |
| (g) Trade payables turnover ratio (In times) | 5,585 | 6,852 | 0.82 | 5,333 | 5,671 | 0.94 | -13% |
| (h) Net capital turnover ratio (In times) | 30,792 | 4,125 | 7.46 | 22,460 | 2,396 | 9.37 | -20% |
| (i) Net profit ratio (in %) | 1,510 | 30,792 | 0.05 | 77 | 22,460 | 0.00 | 1322% |
| (j) Return on capital employed (in %) | 28,978 | 9,637 | 3.01 | 22,762 | 8,179 | 2.78 | 8% |
| (k) Return on investment (in %) | 18 | 2,583 | 0.01 | - | 909 | - | 0% |

* Note - The variance beyond 25% are attributable towards the improved performance of the business post pandemic.

40. Utilisation of Borrowed funds:

- a. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kinds of funds) to any other persons or entities, including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall,
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- b. The Company has not received any fund from any person or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall,
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

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41. Corporate Social Responsibility

The provisions of Corporate Social Responsibility (Section 135 of the Companies Act, 2013) are applicable to the Company, the amount spent are over and above the limit prescribed.

42. Undisclosed Income

There are no transactions that are not recorded in the books of account that has been surrendered or disclosed as income during the year.

43. Details of Crypto currency or virtual currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the current and the previous financial year.

44. 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 ₹ 1,187 lakhs as at March 31, 2022) 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.

45. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 14, 2022.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

R PRASANNA VENKATESH

Partner

Place: Chennai

Date: May 14, 2022

For and on behalf of the Board of Directors

SRILALITHA GOPAL

(DIN : 02329790)

Managing Director

SANTOSH KRISHNADASS

Company Secretary

R S RAGHAVAN

(DIN : 00260912)

Director

A KULANDAI VADIVELU

Chief Financial Officer



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