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TVS ELECTRONICS

July 16, 2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Ref: Scrip Code - 532513

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra – Kurla Complex, Bandra (E)
Mumbai - 400 051

Ref: Scrip Code - TVSELECT

Dear Sirs,

Sub: Submission of Notice of 24th Annual General Meeting and Annual Report for the financial year 2018-19 under Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of 24th Annual General Meeting to be held on 10th August, 2019 and Annual Report of the Company for the financial year 2018-19.

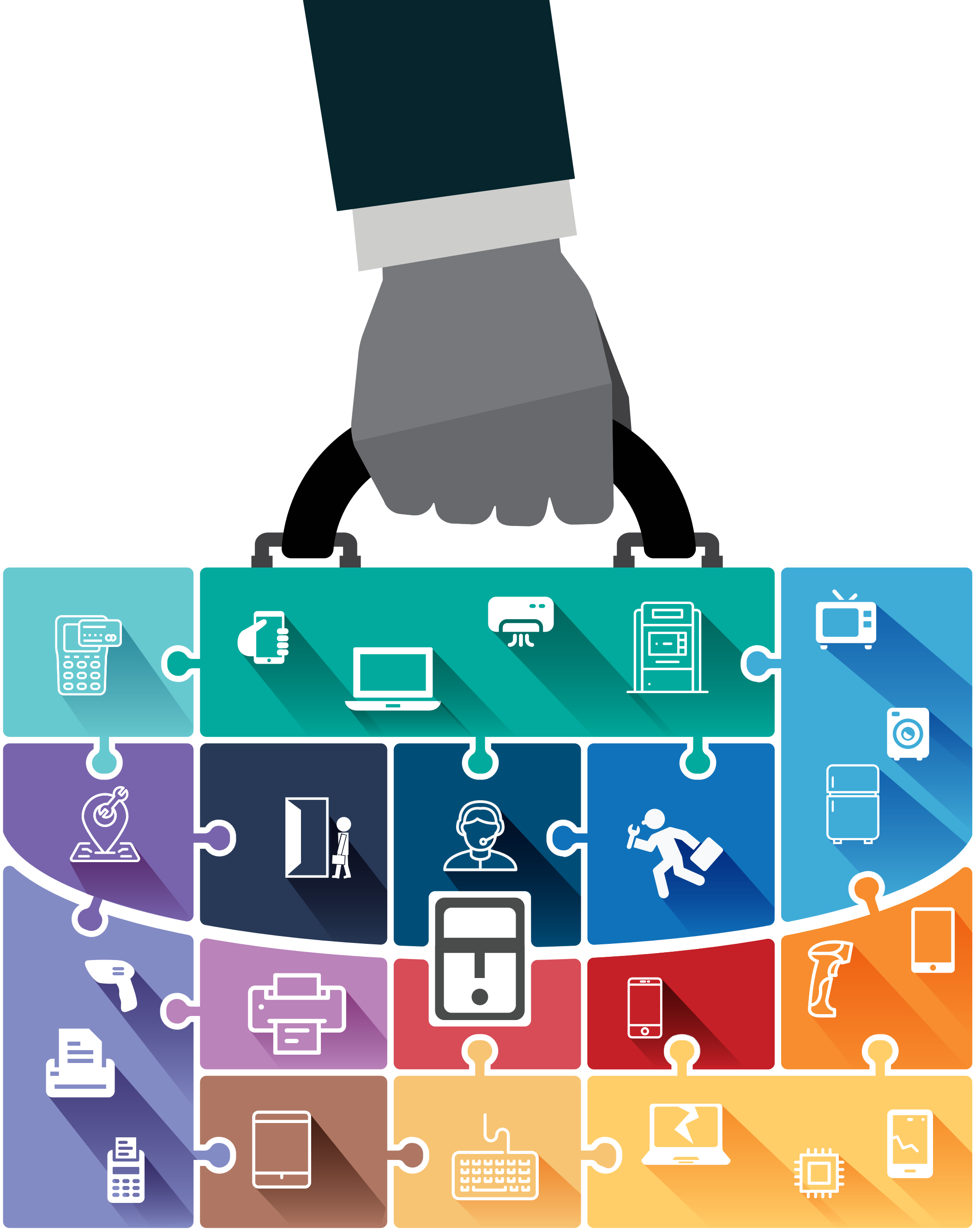
The aforesaid documents are available on the website of the Company viz., www.tvs-e.in

This is for your information and records.

Thanking you,

Yours truly,
For TVS Electronics Limited

K Santosh
Company Secretary



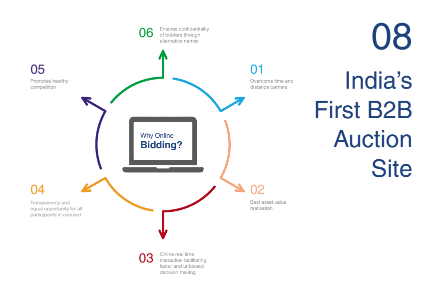
Annual Report **2019**

Delivering Future-Ready Solutions Today

INNOVATING FOR INDIA

TVS ELECTRONICS

Contents



Managing Electronic Waste 10

To view
Annual Report 2019 Online, visit:
https://www.tvs-e.in/

Delivering Future-Ready Solutions Today

With a legacy of over 10 decades, we trust in our ability to provide a distinct customer service experience. Gaining invaluable insights over the years, we have successfully deciphered the pulse of the market, allowing us to cater to the needs of our customers with ease. We are moving towards revolutionising the IT, Telecom & Consumer Electronics services industry by providing consumer centric end-to-end solutions.

One of our core values is to deliver, to the best of our ability, in whatever we set out to do. With this philosophy we have laid down the distinct groundwork for an effective and efficient solutions delivery. As of this financial year we have over 52 collection points, 71 drop points, over 300 service partners, 13 branch offices and over 1,200 feet on street across India, making us proud to commemorate our extensive network and infrastructure.

The digital world is changing at a fast pace, and so are the needs of our customers. Keeping this in mind, we plan to continue on our retailisation journey by expanding our network of centres and customers. We believe in building our customers' confidence in us in an authentic way, and endeavour to deliver 101% on our commitments. Fulfilling the requirements of IT, Telecom and Consumer Electronics markets through our end-to-end service solutions, we have positioned ourselves to meet the demands of the fast-changing tech savvy ecosystem.

The trust that we have earned in the industry — and amongst our customers — is a testament to our quality, shows commitment to our values, and most significantly, demonstrates our fair conduct in all business endeavours. By outperforming competition with a commendable 'Operational Excellence', and delivering value to over one billion customers, we are moving forward with the aim to connect with our customers in a more holistic manner.

Aiming to profitably add more value to our organisation, we are Aggregating Solutions and Expanding Footprints. Our passion to serve more customers better, is what make us stand out from the rest.

At a Glance

At TVS Electronics, we have built the infrastructure and laid down the groundwork for an effective and efficient service delivery network. Our widely managed presence of exclusive & multi brand outlets and repair factories, ensure service touch-points in IT, Mobility and Consumer Electronics industries.

10
SI Partners

54
Banking Partners

50
Retail and Corporate

80
Central and State Government

+4,000
CPDs and ADPs

+2,000
Feet on street

52
Collection Points

13
Warehouses

71
Drop Point

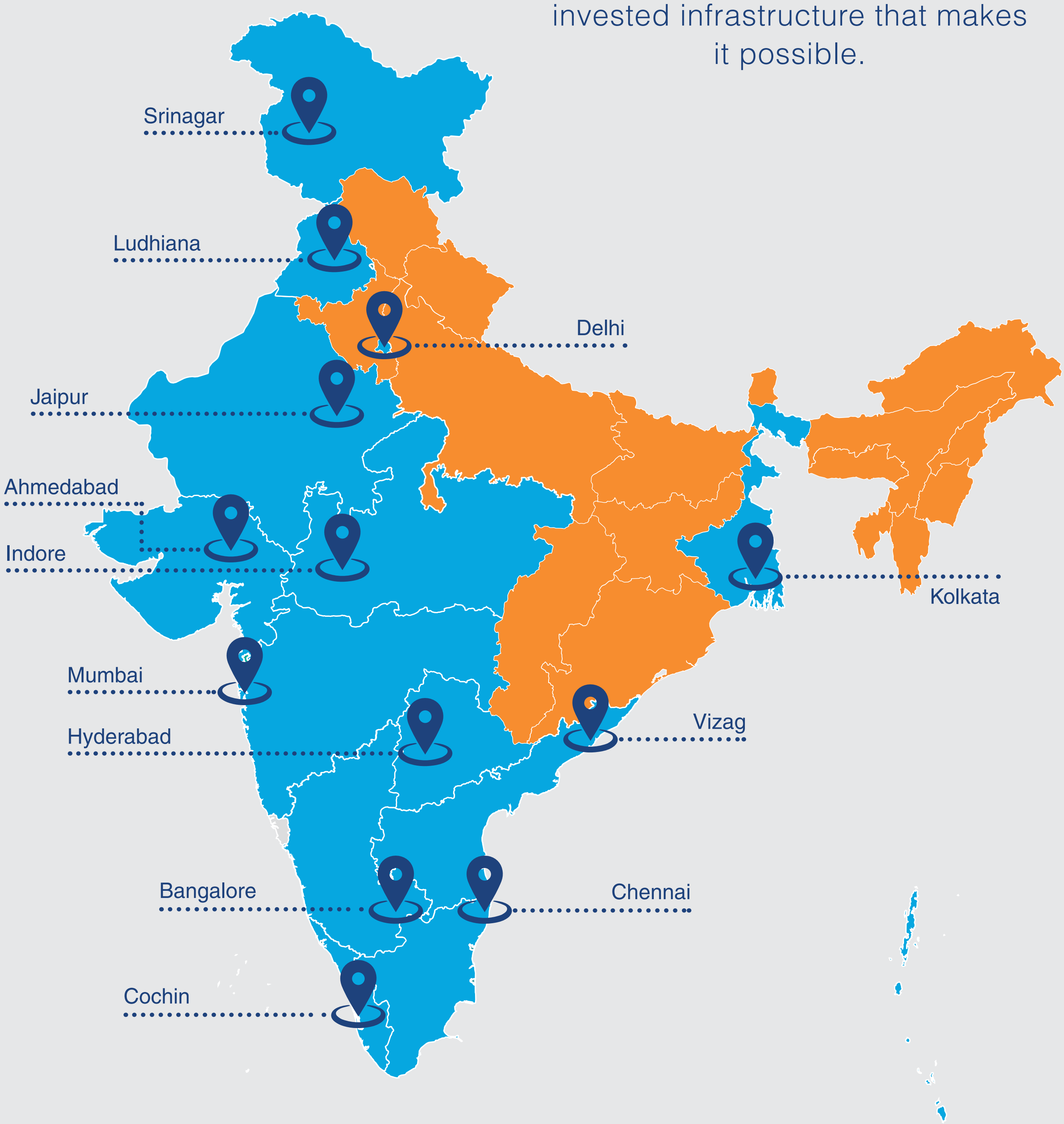
13
Branch Offices - Pan India

180+
Multi-Brand Walk-In Centres

Out of +19,100 pincodes in India
+15,000
Pincodes serviced

Our Branch Presence

Having established strong processes and values, we stand tall with an extensive network and well-invested infrastructure that makes it possible.



Our Core Values

We stand for Trust-Value-Service. We deliver our tasks with packed commitment and believe in putting our customer's delight at the forefront of our values. We are a dynamic organization, leading from the front by constantly learning through innovation. The trust that we have earned in the industry, among our customers is a testament to our emphasis on quality, commitment to our values and most significantly, fair conduct in all our dealings. Our shared vision and aspirations for growth through consistent results keeps us going to the epicenter of the market and helps understand its pulse.

We are driven by a focused attitude towards strategy and its execution. Our determined passion to win urges us to scale up a notch every time, thereby constantly aiming to be the best. This is what makes us stand out from the rest. TVS is a pioneer in product quality and service.

Trust

Build trust authentically - Act inclusively Set and deliver 101% on commitments in a culture of meritocracy.

Vision

To be the leader - Deliver the best in whatever we do and whatever we are.

Service

Win in marketplace - Outperform competition through "Operational Excellence", deliver value for customers. Profitably adding Value.

Self-Initiative

I Lead, We win - Energised to take self-initiative in a positive manner with a positive attitude for team wins.

Connect to reality

Feet on the ground - Connect to customer and GEMBA, candid and strives to keep learning and decides with facts.

Corporate Information

Board of Directors

Gopal Srinivasan, **Chairman**

Srilalitha Gopal, Managing Director (From May 11, 2018)

D Sundaram

Praveen Chakravarty (upto August 6, 2018)

Nagendra Palle (upto January 31, 2019)

M Lakshminarayan

M F Farooqui

Narayan K Seshadri (upto May 6, 2019)

R S Raghavan

K Balakrishnan (From August 9, 2018)

V Sumantran (From August 9, 2018)

Subhasri Sriram (From February 7, 2019)

Committees of the Board

Audit Committee

M Lakshminarayan, **Chairman**

D Sundaram

M F Farooqui

K Balakrishnan

V Sumantran

Subhasri Sriram (From May 11, 2019)

Stakeholders' Relationship Committee

D Sundaram, Chairman

Srilalitha Gopal

K Balakrishnan

Nomination and Remuneration Committee

M F Farooqui, **Chairman**

M Lakshminarayan

Narayan K Seshadri (upto May 6, 2019)

K Balakrishnan (From May 11, 2019)

Subhasri Sriram (From May 11, 2019)

Corporate Social Responsibility Committee

M Lakshminarayan, **Chairman**

D Sundaram

R S Raghavan

Company Secretary & Compliance Officer

S Nagalakshmi (Upto Dec 31, 2018)

K Santosh (CO From Feb 7, 2019 and CS from May 11, 2019)

Chief Executive Officer

Prakash Katama (upto September 30, 2018)

Vice President – Finance & Chief Financial Officer

Karthi Chandramouli (upto June 30, 2019)

Statutory Auditors

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

Secretarial Auditors

S A E & Associates LLP,Practising
Company Secretaries,
#4, "Aishwarya", 12B/177,
6th Street Kumaran Colony,
Vadapalani, Chennai-600026

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

Website

www.tvs-e.in

Investor email ID

investorservices@tvs-e.in

Corporate Identity Number

L30007TN1995PLC032941

Registered Office

249-A, Ambujammal Street,
Off TTK Road Alwarpet,
Chennai-600018
Tel: 91-44-42954800
Email ID: contactus@tvs-e.in

Administrative Office

Arihant E Park, No 117/1
8th & 9th Floor, L B Road
Adyar, Chennai - 600 020
Tel:91-44-4200 5200
Fax No: 91-44-2225 7577

Plant/ Repair Factories locations:

Uttarkhand

No. E12, Selaqui Industrial Estate,
Selaqui, Dehradun, Uttarkhand

Chennai (Repair Factory)

Valluvarkottam Tower-1,Bascon Maeru
Towers Kodambakkam High Road,
Chennai – 600 034

Tumkur

Panditanahalli, Hirehalli Post,
Tumkur District,Karnataka

Share Transfer Agent

Sundaram -Clayton Limited,
"Jayalakshmi Estates" I floor
29, Haddows Road
Chennai - 600 006
Tel: 91-44-28272233 / 28307700
Fax No. 91-44-2825 7121
E-mail: kr.raman@scl.co.in
sclshares@gmail.com

Shares Listed at

BSE Limited
National Stock Exchange of India Limited

In sync with India's evolving requirements, we have understood the market's compelling need for a reputed aggregator such as TVS Electronics, for accessing integrated products and services across India.

The Growth Engine of India

Being an end-to-end solutions provider to the IT and ITeS industry, TVS - Electronics is well-positioned to benefit from the opportunity of servicing the growing technology adoption levels in India.

The surging demand for technology in India is being fuelled by an upsurge in demographic-led consumption. This is backed by an increase in income levels, along with a rise in purchasing power, changing consumer preferences and the desire of the country's youth to have a better quality of life. Furthermore, India has gained a brand identity as an IT and ITeS services lead knowledge economy, which is now a recognised growth engine for the country. Both these B2B and B2C trends have meant that the user base of technology and the variety and volume of equipment have grown exponentially over the years. However, this rapid increase in the equipment production has outpaced the growth of skilled equipment servicing capacity to serve the industry.

With a big portion of the servicing industry remaining unorganised and plagued with inconsistent quality of service and limited capabilities, there is a vast opportunity for organised players, such as TVS - Electronics, to tap into this under-served market for repair and maintenance services and enterprise equipment management solutions.

As an end-to-end solutions provider to the IT and ITeS industry, and an established network to serve growing consumer demands, TVS - Electronics is ideally positioned to benefit from the opportunity of servicing the growing technology adoption levels in India.

We have understood the nation's compelling need for reputed and accessible service providers to serve their growing needs. To be prepared for this surging demand, TVS is taking strategic steps towards integrating its resources to become a leading equipment management and servicing solutions provider to the marketplace.

To ensure that we fulfil the needs of customers from any corner of India, we have established a widely managed network of exclusive and multi brand outlets and repair factories. Backed by skilled technical experts and an agile management team, we are laying down the groundwork for expanding our network to deliver our value proposition.

Aiming to offer solutions specifically designed to cater the needs of India, we are focused towards our strategy execution, with passion to become a pioneer in product quality and service.

+200
Authorised Service Partners – Pan India

15
Regional Repair Centres

+20
Warehouses/Drop Points – Pan India

India's First B2B Auction Site

With an aim to bring together buyers and sellers through comprehensive listings and asset matching facilities, TVS - Electronics launched India's first B2B auction site called AuctionIndia in the year 1999.

In the advent of the World Wide Web, businesses are rushing to take advantage of changes in their markets. While the consumer side of the Web explosion has been much touted, it is the business-to-business (B2B) market that has quietly surpassed expectations.

An important business model that is responsible for this new market expansion is the Internet or Web auction. Businesses are adapting the traditional auctions to the instantaneous "real-time" advantage of the Net, to reach new markets that were previously cost-prohibitive by reducing transaction costs. Using the Internet to facilitate commerce among companies promises various benefits such as reduced costs, greater access to buyers and sellers, improved marketplace liquidity, and a vast array of efficient and flexible transaction methods.

TVS-Electronics, being a part of India's foremost and well recognised self-owned business group, launched India's first B2B auction site called AuctionIndia (https://www.auctionindia.com/) in the year 1999, with the aim to bring together buyers and sellers through comprehensive listings and asset matching facilities. Our business model for the auction site is based on the click & mortar approach where the advantage of e-commerce and network enabled physical process are duly forged to obtain best results. Our online presence, supported by our Pan India network, helps us find solutions for all our customers' needs, along with the support of developing infrastructure and sales force.

We endeavour to provide superior value by using dynamic pricing-based solutions in the form of auctions, which helps us to create an online marketplace for industrial assets. Through the auction site, we specialise in providing disposal (forward auction) and procurement solutions (reverse auctions) based on online bidding events. Buyers are thereby able to source and procure their requirements from a wide range of suppliers at prices competitively driven down.

+70
Brand Association

+650
Active Bidders

+100
Auctions Every Month

Through online auctions, TVS Electronics enables various cost saving mechanisms and is able to expand its reach, without any major investment. With the help of AuctionIndia, we are streamlining processes and creating a more dynamic business environment.

01 Overcome time and distance barriers

02 Best asset value realisation

03 Online real time interaction facilitating faster and unbiased decision making

04 Transparency and equal opportunity for all participants in ensured

05 Promotes healthy competition

06 Ensures confidentiality of bidders through alternative names

With the help of AuctionIndia, we are streamlining processes and creating a more dynamic business environment.

Managing Electronic Waste

Committing ourselves towards developing an environmentally sound management system of e-waste, we have taken necessary steps to ensure that e-waste is managed in a manner that protects the environment against any adverse effects.

The explosive growth in the electronics industry has led to a rapidly escalating issue of end-of-life (EOL) electronics or e-waste. In landfills or primitive recycling operations, toxic materials can be released from old electronic devices into the environment. E-waste is growing, and with that surge comes the need for effective electronics recycling programs.

The growing consumption of electronic equipment is directly correlated to the pace of our socio-economic development, change in technology, fashion and style. Moreover, the growing demands for Digital India, Smart Cities, E-commerce, and M-commerce have aided the consumption of electronic gadgets.

Since 2016, TVS-E has committed itself towards the environmentally sound management of e-waste and has taken all steps required to ensure that e-waste is managed in a manner that protects the environment against any adverse effects. TVS-E assures that the covered products do not contain lead, mercury, cadmium, hexavalent chromium, poly- brominated biphenyls or poly-brominated di-phenyl ethers above a specified threshold. Complying with the norms, we have established a pan India collection network to assist our customers in depositing their e-waste.

Through our Value Chain of E-Recycling Business, we are able to bring back electrical and electronic equipment from the end user, transport and recycle it in an environmentally friendly manner, with the help of authorised and registered e-waste recyclers in the country.

Even though some progress has been made, there is still a lot of room for improvement through awareness campaigns, skill development programs, and the introduction of technology that adopts adequate safety measures in the country's informal sector.

Since India is highly deficient in precious mineral resources, the need for a well designed, robust and regulated e-waste recovery regime is imminent, and is expected to generate jobs as well as wealth.

Value Chain of

E-Recycling Business

1. E-Waste/ITAD Compliance Management Solution
   - E-waste [Management & Handling Rules], 2016
   - Documentation, Return Filing & Certification support
   - Data Sanitasion (On-site and Off-site)
   - Consortium with best Audited Indian/Global recycler

2. Refurbishment Partner
   - Support for Surplus, DoA, Seconds & Customer Returns products liquidation
   - As a service offerings / Job Work
   - Forward and Reverse logistic management services

3. Re-Marketing / Liquidation and Distribution
   - Offine (Distribution Partner)
   - On-site (Re-commerce market community)

4. Reach & Transparency
   - PAN India Presence – 86% of Districts, 89% of Towns, 79% of Villages
   - Real time MIS and tracking system
   - Digital Integration

5. Authorisation & Certification
   - Indian & Global level Accredited standards
   - Quality MIS & EMS standards in place

Financial Highlights

	PREVIOUS GAAP								IND AS	
Particulars	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019
PROFIT AND LOSS ACCOUNT										
Revenue from operations	19,040	18,162	21,661	23,525	24,742	27,006	59,349	252,316	410,890	275,684
Other Income	407	199	375	250	220	97	154	307	220	373
Total Income	19,447	18,361	22,036	23,775	24,962	27,103	59,503	252,623	411,110	276,056
Earnings before interest Depreciation and Tax (EBITDA)	666	1,083	1,303	1,080	1,375	1,706	1,977	1,747	3,033	1,831
Depreciation	449	396	504	619	566	697	860	593	446	368
Profit before Interest and Tax (EBIT)	217	686	799	461	809	1,009	1,117	1,154	2,587	1,463
Finance costs	721	623	659	965	743	692	573	281	142	41
PBT	(504)	64	141	(504)	66	317	544	873	2,445	1,422
Tax Expense	(161)	(90)	1	297	26	88	113	240	821	678
PAT	(343)	154	140	(801)	40	229	431	633	1,624	744
BALANCE SHEET										
Share Capital	1,767	1,767	1,787	1,787	1,802	1,802	1,855	1,861	1,861	1,861
Reserves & Surplus	2,176	2,324	2,464	1,664	1,749	1,969	2,486	4,925	6,496	6,837
Networth	3,943	4,091	4,251	3,451	3,551	3,771	4,341	6,786	8,357	8,698
Loan Funds	6,133	4,498	6,608	6,518	5,796	5,330	3,466	2,137	329	-
Capital Employed (including borrowings)	10,076	8,589	10,859	9,969	9,347	9,101	7,807	8,923	8,686	8,698
Deferred Tax Liability / (Asset)	184	81	48	345	385	376	373	(434)	(171)	127
Total	10,260	8,670	10,907	10,314	9,732	9,477	8,180	8,489	8,515	8,825
Net Fixed Assets	2,135	1,685	4,929	4,651	4,489	4,073	3,843	3,215	2,798	3,068
Non Current Investments	1,501	2,551	811	214	134	134	41	742	523	57
Current Assets	9,827	7,526	9,445	9,261	8,735	10,025	11,844	33,951	100,113	13,347
Current Liability & Provision	3,203	3,091	4,278	3,812	3,626	4,755	7,548	29,419	94,919	7,647
Net Current Assets	6,624	4,434	5,167	5,449	5,109	5,270	4,296	4,532	5,194	5,700
Total	10,260	8,670	10,907	10,314	9,732	9,477	8,180	8,489	8,515	8,825
RATIOS										
EPS (₹)	(2.0)	0.9	0.8	(4.5)	0.2	1.3	2.2	3.4	8.7	4.0
Dividend (%)	-	-	-	-	-	-	-	5%	15%	15% *
Book Value per Share (₹)	22	23	24	19	20	21	23	36	45	47
Return on Capital Employed (ROCE %)	2.2%	8.0%	7.4%	4.6%	8.7%	11.1%	14.3%	12.9%	29.8%	16.8%
Return on networth (RONW %)	(8.7)%	3.8%	3.3%	-23.2%	1.13%	6.07%	9.93%	9.33%	19.43%	8.55%
Fixed Asset Turnover Ratio	8.4	9.5	6.6	4.9	5.4	6.3	15.0	71.5	136.7	94.0
Working Capital Turnover Ratio	2.9	3.3	4.5	4.4	4.7	5.2	12.4	57.2	84.5	50.6
Debt Equity Ratio	1.6	1.1	1.6	1.9	1.6	1.4	0.8	0.3	0.0	-
EBITDA as % of Sales	3.5%	6.0%	6.0%	4.6%	5.6%	6.3%	3.3%	0.7%	0.7%	0.7%
EBIT as % of Sales	1.1%	3.8%	3.7%	2.0%	3.3%	3.7%	1.9%	0.5%	0.6%	0.5%
Net profit as % of Total Income	(1.8)%	0.8%	0.6%	-3.4%	0.2%	0.8%	0.7%	0.3%	0.4%	0.3%
R&D (Revenue and Capital) Expenditure as a % of Total Income	1.1%	0.7%	0.5%	0.4%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%
R&D (Revenue and Capital) Expenditure	204	137	117	102	94	113	-	-	-	-

"*" The Board of Directors have recommended a dividend of ₹ 1.50 per Equity Share of face value of ₹10/- each for the financial year ended March 31, 2019.

The dividend will be paid/despatched to the shareholders within 30 days from the date of declaration by the members at the ensuring Annual General Meeting.

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

₹ in Lakhs

		PREVIOUS GAAP							IND AS	
	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
1	Segment Revenue										
	a) IT Products & Technical Services	19,447	18,361	22,036	23,775	24,962	27,103	29,557	30,225	22,359	22,335
	b) Distribution Services	-	-	-	-	-	-	29,946	222,091	388,531	253,349
	Net Sales / Income from operations	19,447	18,361	22,036	23,775	24,962	27,103	59,503	252,316	410,890	275,684
2	Segment Results (Profit before tax and interest from each segment)										
	a) IT Products & Technical Services	217	686	799	461	872	985	810	(116)	737	983
	b) Distribution Services							94	963	1,261	620
	Total	217	686	799	461	872	985	904	847	1,998	1,603
	Less: i) Finance cost	721	623	659	965	743	692	573	281	142	41
	Add : unallocable income net of expenses								307	220	218
	Profit before tax from ordinary activities before tax and exceptional items	(504)	64	141	(504)	129	293	331	873	2,076	1,780
	Add: Exceptional items					(63)	-	189	-	369	(358)
	Profit from ordinary activities before tax and after exceptional items	(504)	64	141	(504)	66	293	520	873	2,445	1,422
	Add: Extraordinary items					-	24	23	-	-	-
	Profit before tax after extraordinary items	(504)	64	141	(504)	66	317	543	873	2,445	1,422
3	Capital Employed										
	(Segment Assets - Segment Liabilities)										
	a) IT Products & Technical Services	10,076	8,589	10,859	9,969	9,347	9,101	9,235	7,825	6,345	7,194
	b) Distribution Services							(1,228)	(2,108)	(2,836)	(651)
	c) Unallocated							(200)	1,069	4,848	2,155
	Total	10,076	8,589	10,859	9,969	9,347	9,101	7,807	6,786	8,357	8,698
RATIOS											
4	EBIT as % of Sales										
	a) IT Products & Technical Services	1.1%	3.7%	3.6%	1.9%	3.5%	3.6%	2.7%	-0.4%	3.3%	4.4%
	b) Distribution Services							0.3%	0.4%	0.3%	0.2%
	Total EBIT as % of Sales	1.1%	3.7%	3.6%	1.9%	3.5%	3.6%	1.5%	0.3%	0.5%	0.6%

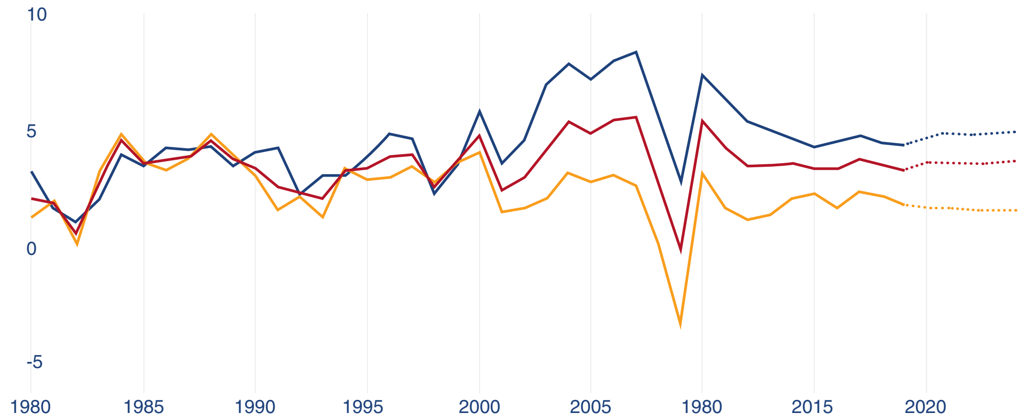
ROCE is Profit before Interest and Tax divided by Capital Employed ; RONW is Profit after Tax divided by Networth.
Movements in Reserves and Surplus represents changes in PAT net of dividend and dividend tax, movement in cost of ESOP and Investment Allowance.
Fixed Assets Turnover Ratio is Sales divided by Average Net Fixed Assets as at the end of the year ; Working Capital Turnover Ratio is Sales divided by Average Net Current Assets as at the end of the year

EBITDA for 2007-08 includes Extraordinary income of ₹ 1,560 lakhs arising out of sale of business and sale of property.
The financial results for the year 2011-12 include the effects of "Customer Support Service" business acquired from TVS-E Servicetec Limited, Chennai effective from 1st October, 2011.
PBT is after exceptional item of expenditure for the FY 2013-14 - ₹ 63.45 Lakhs (Previous Year - NIL)
EBITDA for 2014-15 includes Extraordinary income of ₹ 24 lakhs arising out of sale of land.
The Revenue from Operations for 2015-16 includes income from Distribution Services of ₹ 29946 Lakhs and FY 2016-17 ₹232012 Lakhs
EBITDA for 2015-16 includes Extraordinary income of ₹ 24 lakhs arising out of sale of land and exceptional income of ₹ 189 lakhs from sale of long term investments.
PBT for 2017-18 includes Exceptional item of ₹ 369 lakhs arising out of sale of land and other assets at oragadam.
PBT for 2018-19 includes Exceptional item of ₹ 358 lakhs arising out of loss from sale of investment in subsidiary.
The financial statements for 2017-18 have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015.
Up to the year ended March 31, 2017, the company prepared its financial statements in accordance with the requirements of previous GAAP
The date of transition to Ind AS is April 1, 2016 and hence the previous year financials have been restated as per Ind AS to make it comparable
The financial results have been regrouped/reclassified wherever necessary as per the requirements

Management Discussion and Analysis

TVS Electronics is a part TVS Group, which is among the Top 5 family owned business groups in India.

Real GDP growth (Annual percent change)



IMF, 2019, Source: World Economic Outlook (April 2019)

Global Economy

According to the World Economic Situation and Prospects 2019 report by the World Bank, Global growth is expected to remain at 3% in 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially aggravate development challenges in many parts of the world. The global economy is facing a convergence of risks, which could severely disrupt economic activity and inflict significant damage on longer-term development prospects. These risks include an accelerating trade disputes, tightening of global financial conditions, and increasing effects climate risks.

The financial conditions tightened for not only vulnerable emerging markets but also advanced economies, which added to the global demand pressures. However, in 2019 the conditions have improved slightly as the US Federal Reserve signalled a more accommodative monetary policy stance and markets became more optimistic about a US–China trade deal.

In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions. Despite an improvement in growth prospects at the global level, several large developing countries saw a decline in per capita income in 2018. Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind. While economic activity in the commodity-exporting countries, notably fuel exporters, is gradually recovering, growth remains susceptible to volatile commodity prices. For these economies, the sharp drop in global commodity prices in 2014/15 has continued to weigh on fiscal and external balances, while leaving a legacy of higher levels of debt.

Indian Economy

For the year 2017-18, the Indian economy grew by 7.2% and is projected to grow around 7% in 2019. As per World Economic Outlook (WEO) 2019 by IMF, the real GDP growth is projected at 7.3% in 2019-20, marking a positive outlook from 2018-19's growth of 7.1%, supported by the continued recovery of investment and robust consumption amid a more expansionary stance of monetary policy and some expected impetus from fiscal policy. Nevertheless, reflecting the recent revision to the national account statistics that indicated somewhat softer underlying momentum, growth forecasts have been revised downward compared with the October 2018 WEO by 0.1 percentage point for 2019 and 0.2 percentage point for 2020, respectively.

The slowdown is attributed to weaker economic momentum and is driven by slow activity growth in the manufacturing sector and, to a lesser extent, agriculture. However, benefitting from lower oil prices and a slower pace of monetary tightening, the IMF's WEO forecast projects that India's economy is poised to pick up in 2019.

According to WEO, in India, continued implementation of structural and financial sector reforms with efforts to reduce public debt remain essential to secure the economy's growth prospects. In the near term, continued fiscal consolidation is needed to bring down India's elevated public debt. This should be supported by strengthening goods and services tax compliance and further reducing subsidies. Important steps have been taken to strengthen financial sector balance sheets, including through accelerated resolution of nonperforming assets under a simplified bankruptcy framework. These efforts should be reinforced by enhancing governance of public sector banks. Reforms to hiring and dismissal regulations would help incentivise job creation and absorb the country's large demographic dividend; efforts should also be enhanced on land reform to facilitate and expedite infrastructure development.

[1] World Economic Outlook – April 2019 - IMF

Industry Overview

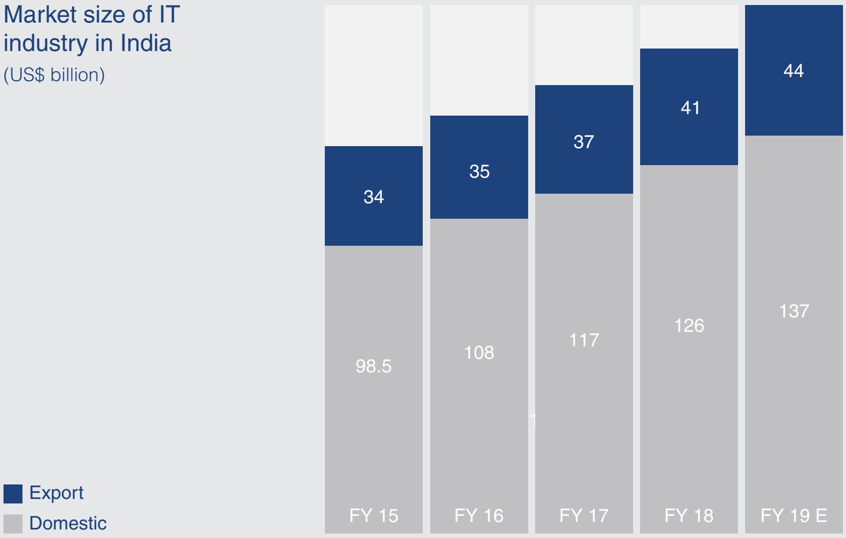
IT & ITeS

Being a key part of the India's economy, the IT industry and its various sub-sectors represented 8% of the nation's overall GDP in 2013, making it the fifth largest industry in India. The country is a preferred destination for IT & ITeS in the world as it has a low-cost advantage by being 5-6 times inexpensive than the US, making it a leader in the global sourcing industry with 55% market share of the US$ 185-190 billion global services sourcing business in 2017-18. Being well diversified across verticals such as BFSI, telecom and retail, there is an increased strategic alliance between domestic and international players to deliver solutions across the globe.[2]

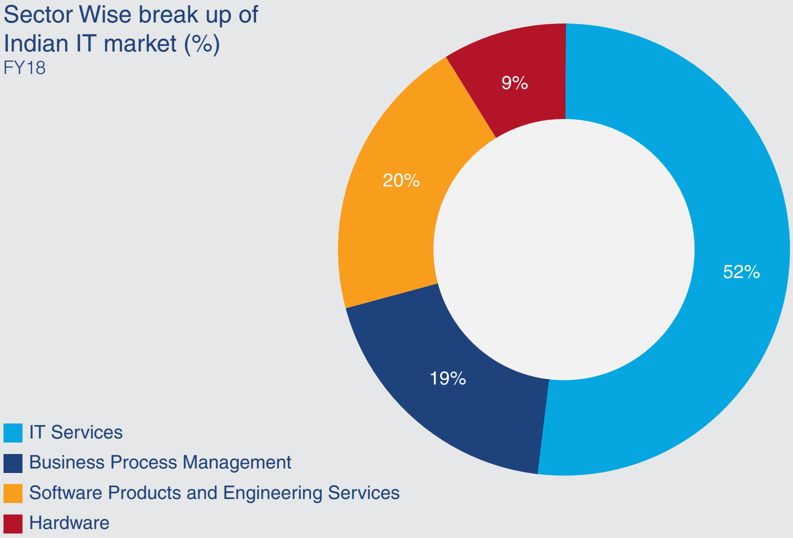
According to the IBEF report, IT industry employs nearly 3.97 million people in India of which 1,05,000 were added in FY18. The industry added around 105,000 jobs in FY18 and is expected to add over 250,000 new jobs in 2019. IT industry is fuelling the growth of start-ups in India, with the presence of around 5,300 tech start-ups in India. The domestic revenue of the IT industry is estimated at US$ 44 billion and export revenue is estimated at US$ 137 billion in FY19. As per Gartner, the spending on Information Technology in India is expected to grow over 9%, to reach US$ 87.1 billion in 2018.

With various government initiatives, the digital drive in the country is leading the IT Products & Solutions business and the retail traders of India have either moved into organised retail fold or are moving towards it. This is one of the key drivers of growth of PoS devices in the market.

Market size of IT industry in India
(US$ billion)



Sector Wise break up of Indian IT market (%)
FY18



IT Peripherals

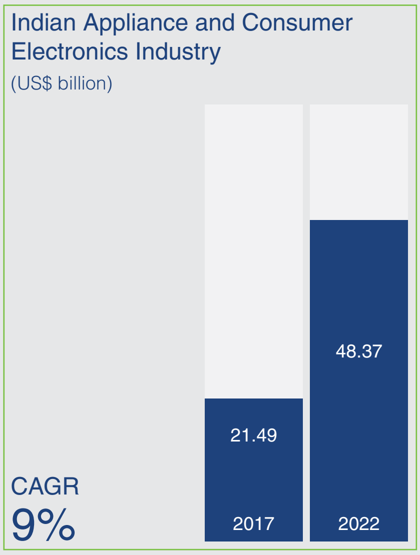
The computer peripherals industry is riding high on the back of the ever-widening IT base in India. A sector that thrives on inventions, the peripherals industry has witnessed stable demand as customers crave newer and better products with each anticipated launch. Input, Output and Input/output (I/O) devices make up the computer peripherals market. Input devices include card readers, tape readers, keyboards, digitisers and pointing devices like the mouse, the light pen, etc. Output devices comprise printers (impact and non-impact), plotters and monitors; terminals and auxiliary memory devices such as tape drives, disk drives and floppy drives make up the I/O devices.

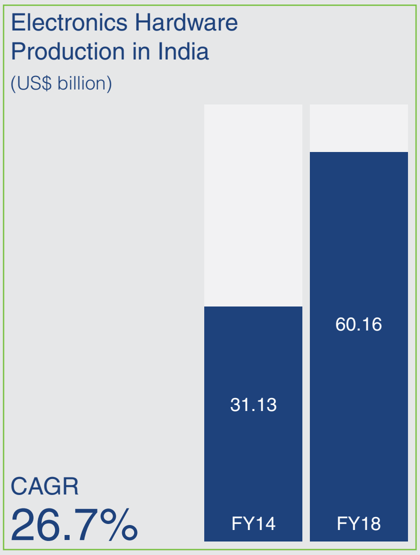
The computer peripherals market is estimated to be between Rs 1,500 and Rs 2,000 crore. It is growing at about 20 per cent a year. This growth is driven by initial cost, recurring cost, brand names, warranty as well as innovation in product design. Another important demand driver is the number of functions, which a product may be able to perform. Most of the demand comes from sectors such as banking and finance, insurance, telecom, education, manufacturing and retail. The demand has also increased with the number of international companies opening offices in India, across all sectors. [3]

With rapid new innovations, the rate of obsolesce in this industry is high. This has proved to be advantageous as it keeps the demand stable. However, it also affects the demand as customers are always anticipating better products.

Around **3.97 million**
people employed by the IT Industry

[2] Source – IBEF Report on IT & ITeS
[3] KIT: The Indian market for computer peripherals





Consumer Electronics

In India, the IT & electronics industry is one of the fastest-growing industries, both in terms of production and exports. As per Indian Brand Equity Foundation report, the Indian electronics products demand is expected to grow at a CAGR of 41% during 2017 to 2020 and is expected to reach a valuation of US$ 400 billion by 2020. By 2025, the Consumer Electronics and Appliances Industry in India is expected to become the fifth largest in the world.

The Indian Electronics Industry growth is driven by growth in consumer electronics with a focus on urban India. But as the government plans to invest in rural electrification, there is a lot of scope for growth from rural markets, with increase in consumption due to brand penetration. Demand for durables like refrigerators as well as consumer electronic goods are likely to grow as well with the support of government. Another driving force is internet retailing through which the industry in connecting every city in the country. Leading e-commerce companies offered a range of discounts that attracted price-sensitive costumers. Key drivers were thus growing awareness, easier access, and changing lifestyles.

Company Overview

TVS Electronics is a part TVS Group, which is among the Top 5 family owned business groups in India. With a heritage of over 100 years, we are one of the first companies in Asia to win the prestigious 'Deming Award for Quality'. TVS-Electronics, a subsidiary of TVS Group, was founded in 1986 and is now a leading Transaction Automation IT Product manufacturer & service provider.

Our vision is to take electronics to every part of the country and also extend necessary care in terms of service and maintenance for the same. The vision of extending care is not just for the products manufactured by TVS-E but also for the ones by larger OEMs as well.

We have established ourselves as an end-to-end solutions provider through our extensive product portfolio and wide spectrum of services. We cater to extensive product lines across various brands through various delivery models like exclusive service centres, multi brand service centres, onsite support, repair centres and factories. Moreover, we provide services to IT, Telecom and Consumer Electronics and have a dealer network across more than 300 towns.

Our Business Verticals

IT Product Solutions

With our extensive dealership network, we manufacture and sell Point of Sale (PoS) devices, Printers and Keyboards, and through our wide reach of service infrastructure we are able to cater to the end-to-end needs of our customers. Product development is at the core of our product solutions vertical and meeting customer requirements through innovative products has enabled us to retain the market share.

Our products cater to seven broad sectors, namely, Retail – SME, Government, BFSI, Hospitality, Healthcare, E-commerce and Transport, Large Format Retail (LFR) Stores and Quick Service Restaurants (QSR). Out of our total revenues from the product solutions business, PoS peripheral hardware contributes 40% while 60% is being contributed by the Dot Matrix Printer, keyboard and related supplies.

Over the years, our products range has evolved with the evolving needs of our customers. Now our products ecosystem consists of Data Identification products, Data Capturing products, Data Processing products and Data Dissemination products.

OUR PRODUCT PORTFOLIO

Data Identification Products

Label Printers

Data Capturing Products

Scanners

Keyboard

Data Processing Products

ECR

Peripherals

Data Dissemination Products

Thermal Printers

DMP

Consumables

Paper roll

Print Head

Ribbon

Thermal transfer ribbon

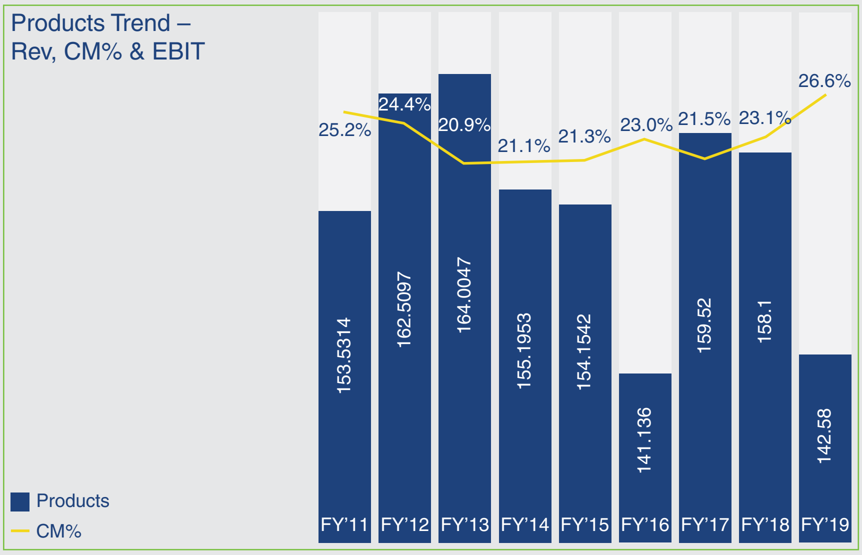
Performance

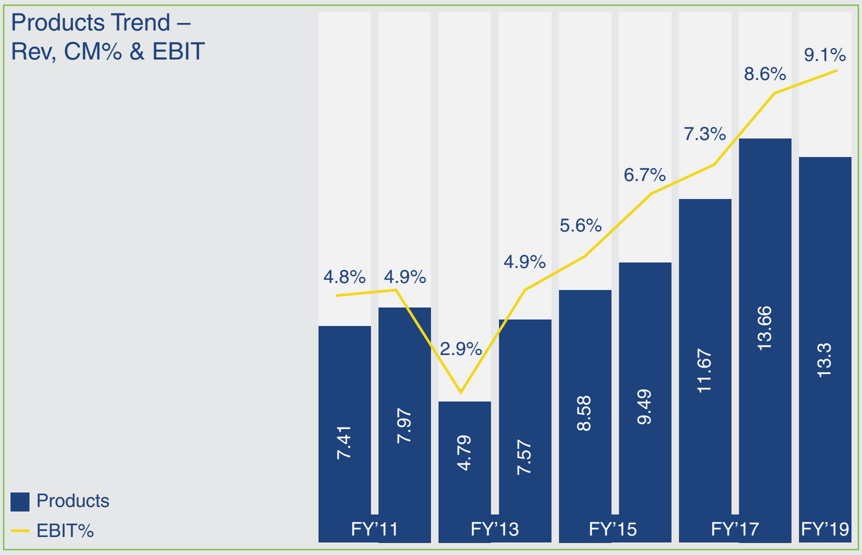
During FY2019, the product solutions business vertical refreshed its range of Point of Sale (PoS) products and further strategized to expand its reach into the "Point of Transactions" landscape.

The Company's Thermal Printer range has gained added momentum during the year as its market share improved from 19% to 22%. These printers are used largely to print invoices or receipts in modern Retail Stores, Quick Service Restaurants, E-Commerce Platforms, and the Health Care industry, amongst others. As legacy Dot Matrix Printers become more and more obsolete in certain sectors, they are being replaced by sophisticated Thermal range printers where TVS-E is gaining market traction.

The market for the Label Printers that print barcodes or QR code labels, and their scanners, is growing even faster. For these products, TVS-E holds a market share of 17% and 20% respectively. While this share remained same for Label Printers, it has dropped 6% in case of Scanners due to the increase of many low-end variants in the market.

Overall, during the year, the Products BU witnessed a subdued demand for its categories of products reflecting an economy in the verge of recovering from large government policy actions.





124% Increase
in market share of PoS Systems

17% Increase
in market share of Label Printers

Our products ecosystem consists of Data Identification products, Data Capturing products, Data Processing products and Data Dissemination products.

Growth Outlook

India is increasingly moving towards using digital means for the payment of goods and services, accelerated by demonetisation and lack of cash in the economy, propelling the demand for PoS terminals. The pace of digital transactions across the country has increased significantly, which has led to an increase in the demand for new machines to provide e-payment facilities to buyers.

Retail and E-commerce

Increasing penetration of the organised retail industry and emergence of several e-commerce players offer impetus for the Company's POS billing solutions market growth. Fuelled by the e-commerce food delivery and logistics, the Company plans to increase its reach in the bar code scanner space. Furthermore, with the changing KYC norms and mandate on Aadhar Card, there is a need for high density scanners in the market, opening up another opportunity for TVS Electronics to capture market share.

Transport and Logistics

With the introduction of e-way bill by the finance minister, the Company can now act upon the opportunities offered by the transport and logistics sector through its products in the mobile printing space. The success of the effective implementation of the E-way Bill in India will largely depend on how efficiently and diligently businesses comply with and manage the requirements of this Bill and generate one when needed.

+10,000 pin codes

covered across India

>250 districts

covered for onsite services across India

Over the next few years, we plan to consolidate our position as a strong player offering 'one-stop-shop' solutions for all customer post-purchase product needs.

BFSI

The adoption rate for PoS devices is rising as customers become more and more accustomed to the convenience and payment flexibility that debit and credit cards provide. Today's digital influence challenges banks to deliver products that create a seamless 'pathway-to-purchase' journey. Agility to innovate across inventory, orders, customers, and products is critical. Banks therefore need to keep adding to the variety of their POS systems to cater to a wide range of customer requirements. This is where we, as a Company, can add value with our wide spectrum of products, and potentially profit from the growing opportunity in the BFSI sector.

Going forward, we aim to embark on the mission of building an infrastructure for Merchant Acquisition Business. Having a long relation with our merchants, we plan to deepen that and interact with our customers directly and build an end-to-end solution centric business, with customers at our core.

IT Services

IT Services Portfolio and their Customers

The IT Services business vertical looks after installations and technical service calls for over 25 brand partners, covering more than 10,000 pin codes across India, with a very wide array of electronic product categories. Moreover, the Company has partnered with leading brands by providing onsite support and walk-in centre services for in-warranty and out-of-warranty fulfilment of their IT products.

Apart from addressing the IT services segment, TVS Electronics has a strong presence in the mobility products, consumer electronics and the banking segment. For the mobility products and consumer electronics segments, we have strong relationships with leading smartphone and white goods manufacturing players for both, in-warranty and out-of-warranty services. The Company also provides the installation and service of PoS terminals, along with complete after-sales lifecycle of products: right from installation and demos, to in-warranty and out-of-warranty services, for leading mobility brands.

Customer centricity is at the forefront of every service that TVS-E provides, and remains at the core of the Company's performance metrics. While our competitors typically serve specific customer segments, without much flexibility or customisation options in their offerings; we have a suite of services that encompasses every stage of the post-purchase product lifecycle. Over the next few years, we plan to consolidate our position as a strong player offering 'one-stop-shop' solutions for all customer post-purchase product needs.

Highlights

- During FY2019, the Company expanded its service footprint across more than 250 districts in India for onsite services and also increased its retail network for customer walk-in services to 200 centres.
- The Company deployed more than 2,500 professionals across the length and breadth of the country, offering onsite services to OEM brands, E-commerce brands and end customers for IT products, Telecom products and Consumer Electronics.
- Added 4 new clients in the IT, Telecom and Consumer Electronics product segment.
- Increase in brand Net Promoter Score in our B2B2C business.

- Consolidated service offerings by keeping niche skills with our direct engineers and outsourcing commodity skills through Company's ASP network. The variability ratio as on March'19 exit was 30:70.

Performance

For FY2019, we have taken aggressive growth targets in excess of 40% growth over last year with respect to revenues and contribution margin. The IT Services added 'Consumer Electronics Services' as a new category, in addition to widening the service operations in IT, PoS terminals and infrastructure management services.

The volume of service calls went up from 14.35 lakhs to 17.59 lakhs in FY2018-19. The Service centre footprint grew from 54 own and 119 partner centres by exit FY2018 to 87 own and 148 partner centres by exit FY19. To fuel the growth, the Company is investing in technology, people and infrastructure.

Growth Outlook

Catering to the needs of consumers using telecom products, IT products, banking and retail automation devices, and consumer electronics, we have developed a strong foothold in India. Moving forward, we aim accelerate our organic growth by expanding
our footprints in the remote town across India.

FY 2019-20 will be a year of consolidation for TVS-E's core services by expanding client base and network presence across India. In the next phase, TVS-E will be offering comprehensive after-sales service solutions across product categories from various industries.

We are focusing on achieving long-term growth through value-added services for customers by providing on-site and retail services, keeping the comfort of customers in mind. As customers are an integral part of the Company, we aim to bring in more regional repair centres, which are in close proximity to the customers. This in turn, will help reduce our logistics and transportation costs and will help serve our customers faster.

Unlike competition, who are focusing mainly on capturing market share in Metro cities, the Company plans to have a sharper focus in Tier II and III cities, which will enable better economies of scale and expanded network for us. This will also lower the costs for brands and improve Turnaround Time for the end customers.

Our new business pipeline is very strong this year around our core offerings of Onsite and Walk-in services for IT & Telecom products. We plan to bring in new products for Gadget protection and services in the Health Care space.

We've embarked on a journey of building a Digital Platform for IT Services Business through an open source stack, which offers customisation and flexibility to our Services Business. This platformisation of service model will be of humongous help in faster scalability and modular approach.

Going forward, as the world evolves digitally, more consumers are inclined towards the use of electronics and technology devices. This creates an immense opportunity for TVS-E. With our retailisation strategy of reaching out to more customers, we are on track to expand our footprints.

Financial and Operational Highlights

During FY2019, the Company's 'IT Products and Technical Services' has earned revenues of ₹ 224 Crore, unchanged from the previous year. Some of the large project orders in Products BU are deferred and expected to materialise in FY2019-20; however, the Services BU has grown by 26% YoY from ₹ 64 Crore to ₹ 81 Crore. The revenues from 'Distribution' has dropped to ₹ 2,533 Crore from ₹ 3,885 Crore in FY2017-18, which was due to closure of an agreement in July 2018 with a mobile phone manufacturer for online distribution of mobiles, TVs and accessories. Online distribution was a large volume, low margin and volatile business that the Company monitored and managed separately. As the revenue earned from this segment during the year is only for 4 months, it's not fully comparable with previous year's 12-month operations.

The margins of 'IT Products and Technical Services' is continuously improving as the Earnings Before Interest and Tax (EBIT) for FY 2018-19 has grown 32% to ₹ 9.8 Crore from ₹ 7.4 Crore in the previous year before addition of an exceptional item. The EBIT margin for previous year after exceptional item was ₹ 11.1 Crore. Distribution services added EBIT of ₹ 6 Cr during part of the year of its operations vis-à-vis ₹ 13 Cr in FY 2017-18. With good cash flows from business, the Company has relied very less on borrowings, which saved over ₹ 1 Crore of finance cost for the year under consideration when compared with previous year.

The margins of 'IT Products and Technical Services' is continuously improving as the Earnings Before Interest and Tax (EBIT) for FY 2018-19 has grown 32% to 9.8 Crore.

Financial Ratios

Particulars	FY2019	FY2018	Change
Debtors Turnover Ratio	13	16	-17%
Inventory Turnover Ratio	10	12	-19%
Interest Coverage Ratio[1]	36	18	96%
Current Ratio	1.36	1.02	33%
Debt Equity Ratio	-	0.04	NA
Operating Profit Margin[2]	0.53%	0.63%	-16%
Net Profit Margin[2]	0.27%	0.39%	-32%
Return on Net Worth[2]	8.55%	19.43%	-56%

[1]The company had repaid its entire borrowings and there were no borrowings as on March 31, 2019.

[2]Previous year had a one-time gain on sale of land;

Current year returns are after considering one-time loss in sale of investment in subsidiary.

Business Risks & Opportunities

The Company's key imperative over the medium term will be sustaining the current revenue streams, even as we build a strategic framework and drive the Technical Services business, leveraging macro trends and business opportunities as described elsewhere.

Key success factors (and therefore risks) are predicated on the timely execution of these plans, building the internal capabilities by attracting and retaining talent and keeping pace with technological and market changes. The Board and management of the Company are confident of proactively managing these risks.

Risk Management process

The Company recognises that risk is inherent in every business activity. Effectively managing these risks is key to achieving our strategic objectives and the long-term sustainable growth of the business. Identification, assessment, mitigation and monitoring of risk is done by the Company through a bottom up approach that often calls for extensive cross-functional involvement. The key risk areas are periodically and systematically reviewed by Senior Management. The company's Risk Management Process is also tested by the internal auditors and overseen by the Audit Committee through a structured framework. The management of the Company has reported to the Board that the Company's risk management and internal compliance and control system is operating effectively.

26%

Revenue Growth (YoY) from Services BU

₹ 224 Crore

revenue earned from 'IT Products and Technical Services'

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

Risk Type and Description	Risk overview	Mitigation plan
Strategic Risk - Technology risk	Two dimensional printing as a technology and need could fade away impacting demand for TVS-E's Dot Matrix, Thermal, Label & Mobile Printers	'IT Products' BU is expanding its range beyond Printers into 'Point of Transaction' solutions and added 'Keyboards, 'Touch POS', 'Scanners' etc. More such product range expansion will continue.
Operational Risk - Information security risk	Both IT Products and Services BUs of TVS-E deal with high volume personal data of device users and the service agents have access to customer data of brand partners carrying vulnerability.	A strong Incident Prevention and Resolution Process along with an Intrusion Prevention System has been put in place to mitigate cyber security threats. TVS-E has also covered the risk under appropriate insurance.
Operational Risk - Reputation risk	Service agents of TVS-E visits customer places of brand partners in the normal course of business. These agents are well trained on both technical and behavioural aspects before being assigned with the filed job. Nonetheless, the nature of job is susceptible to behavioural / induced behavioural incidents causing reputational and financial loss to TVS-E.	The Company has published a code of conduct mandating the highest moral and ethical standards for its employees / agents, which is also periodically communicated to other stakeholders. It has a whistle-blower policy to ensure suspected or actual violations to the code are reported, investigated and acted upon.
Strategic Risk - Geopolitical risk	TVS-E imports bulk of its supplies / finished products from the People Republic of China. Any impact to the bilateral trade arrangement would have multiple implications to TVS-E's business lines.	These scenarios are being continuously monitored for both risk and opportunities.

The Company follows the policy of hedging forex risk on its imports by taking full cover.

At present, in the opinion of the Board of Directors, there are no risks, which may threaten the existence of the Company.

Internal Control Systems and adequacy of Internal Financial Controls

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The Audit committee defines the scope and authority of the Internal Auditor. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters within its terms of reference.

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

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

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

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

Business Planning and Information Technology

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

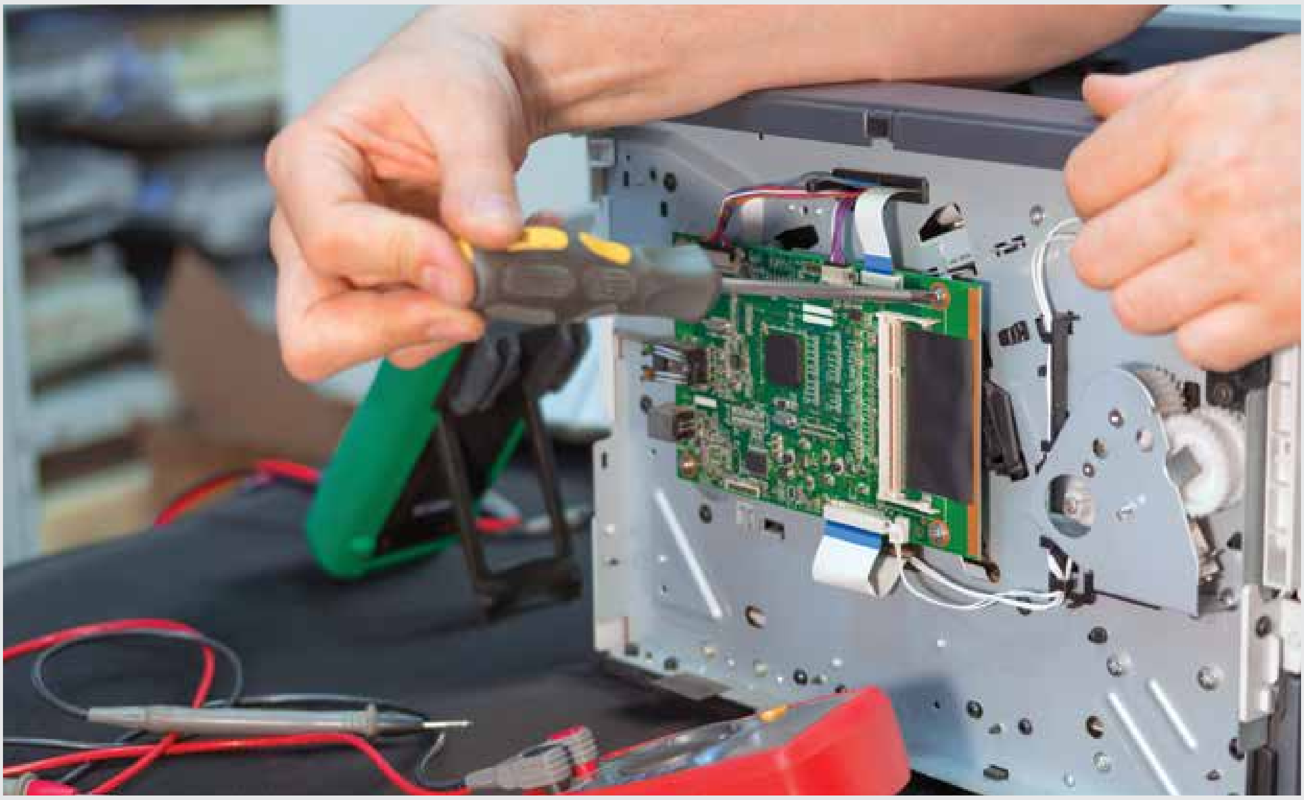
The data analytics capabilities acquired by the Company last year helps capturing relevant information for decision-making across various businesses. The information dashboards so generated helped the management and operating teams to have real-time information on process controls and take pro-active steps to manage operations.

Human Resource Development

As our businesses are people oriented, we continued to constantly look at opportunities for enhancing our Employee polices and framework during the year.

Our Talent Acquisition framework focuses on hiring people with right attitude and skill. The company has been able to attract talent from IIM's, B-Schools and lateral hire to support the organisation growth in areas such as “Operations”, “data Analytics”, “product design” etc., which will add immense value to our Businesses and customers.

We continued to drive digitisation of HR processes, for speed and ease of work and transparency. Our Performance Management System has been digitised leading to sharper focus on goal setting in alignment to our Annual plan. Our Employees experience Quarterly goal setup and performance feedback, thereby driving a high-performance culture in the organisation.



We recognised best performers with awards at different forums for Individual and team performance as part of our Employee motivation and Communication program.

A structured Talent Management framework has been evolved, wherein the Top talent based on performance and potential (matrix) are identified and for a yearlong learning intervention to prepare them for the next/larger role in the organisation.

Employee's Learning and Development initiatives continued with investment in skill enhancement programs across levels. Our Employees have been given exposure to AI, ML, data analytics, six sigma process and other tools that would help them to upskill and deliver better results.

In our Services Business, we continue to work closely with our Engineers/ Agents for multiskilling, support them with routine soft skills and behavioural training through classroom and e-learning platforms.

The Company has taken up various process improvement and break through projects during the year, which involves Employees working in teams cutting across functions resulting in Business benefits and building our talent for the future.

To support the growth and aspirations of our Employees, structured job rotation/role enhancement opportunities were created to meet the aspirations of Individuals thereby building a strong succession plan for the Organisation and investing in Key Talent to build organisation capability.

Cautionary Statement:

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

To support the growth and aspirations of our employees, we created structured job rotations and role enhancement opportunities, to meet the aspirations of individuals. We are building a strong succession plan for the organisation and investing in key talent to build capabilities.

Board's Report

Board's Report to the Shareholders

Your Directors have pleasure in presenting the 24th Annual Report of your Company for the financial year ended March 31, 2019.

Financial Results

The financial performance of the Company for the year ended March 31, 2019 is summarized below. The financial statements for the year have been prepared in accordance with the mandatory accounting standards Ind AS including the new Ind AS 115 on 'Revenue from Contracts' which is effective from April 1, 2018. Necessary changes were made to the corresponding figures of the previous year.

Standalone

(₹ in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from operations	275,684	410,890
Earnings Before Interest & Tax (EBIT)	1,821	2,218
Profit/ (Loss) Before Tax (PBT) and exceptional items	1,780	2,076
Exceptional items / Extra-ordinary Items	(358)	369
Profit / (Loss) Before Tax	1,422	2,445
Profit / (Loss) After Tax (PAT)	744	1,624
Add: Brought forward from previous year	4,493	2,981
Less: Dividend on equity shares (incl. taxes)	(337)	(112)
Retained earnings	4,900	4,493

Company's performance

During the financial year 2018-19, the Company's 'IT Products and Technical Services' has earned revenues of ₹224 Cr which remained unchanged from the previous year. Some of the large Project orders in Products BU are deferred and expected to materialize in FY2019-20; however the Services BU has grown by 26% YoY from ₹64 Cr to ₹81 Cr. The revenues from 'Distribution' has dropped to ₹2,533 Cr from ₹3,885 Cr in FY2017-18, which was due to closure of an agreement in July 2018 with a mobile phone manufacturer for online distribution of mobiles, TVs and accessories. Online distribution was a large volume, low margin and volatile business that the Company monitored and managed separately. As the revenue earned from this segment during the year is only for 4 months, it's not fully comparable with previous year's 12 month operations.

During the year under consideration, Products BU has refreshed its range of Point of Sale products and further strategizing to expand the landscape to "Point of Transactions" space. The Company's Thermal Printer range has gained added momentum during the year as its market share has improved from 19% to 22%. These printers are used largely to print invoices / receipts in modern Retail, Quick Service Restaurants, E-Com, HealthCare etc. As the legacy Dot Matrix Printers market is declining, its space is filled up with a sophisticated Thermal range in certain segments where TVS-E is gaining traction. The market for Label Printers range that print barcode / QR code labels and scanners is growing even faster where TVS-E holds market share of 17% and 20% respectively. While this share remained same for Label Printers, it has dropped 6% in case of Scanners due to increase of many low end variants into the market. Overall, during the year, Products BU has witnessed a subdued demand for its categories of products reflecting an economy in the verge of recovering from large government policy actions.

The Services BU has added 'Consumer Electronics Services' as its new category besides widening its service operations in IT, PoS terminals and infrastructure management services. The service calls volume have gone up from 14.35 lakhs to 17.59 lakhs between FY2017-18 and FY2018-19. This Service center footprint has grown from 54 own and 119 partner centers by exit FY18 to 87 own and 148 partner centers by exit FY19. To fuel the growth, the Company is investing in technology, people and infrastructure.

The margins of 'IT Products and Technical Services' is continuously improving as the Earnings Before Interest and Tax for FY 2018-19 has grown 32% to ₹ 9.8 Cr from ₹ 7.4 Cr in the previous year before addition of an exceptional item. The EBIT margin for previous year after exceptional item was ₹ 11.1 Cr. Distribution services added EBIT of ₹ 6 Cr during part of the year of its operations vis-à-vis ₹ 13 Cr in FY 2017-18. With good cash flows from business, the Company has relied very less on borrowings which saved over ₹ 1 Cr of finance cost for the year under consideration when compared with previous year.

In March 2019, the Company has divested its equity in its subsidiary M/s Benani Foods Pvt Ltd. This sell-off has resulted in an exceptional loss before tax of ₹ 3.58 Cr. As the Company prioritised investing in the growth of 'IT Products and Technical Services', the decision to divest the foods business was taken.

The Profit before tax for the year under consideration was ₹ 14.2 Cr down from ₹ 24.4 Cr in the previous year and the Profit after tax for the year was ₹ 7.4 Cr vis-à-vis ₹ 16.2 Cr in the previous year.

Dividend

The Directors are pleased to recommend a dividend of ₹ 1.50 per equity share for the financial year ended March 31, 2019 (Previous Year ₹ 1.50 paise per equity share). The dividend, if approved by shareholders would absorb ₹ 336.58 lakhs, including taxes (Previous year 336.58 lakhs, including taxes) on 1,86,12,818 Equity Shares of ₹ 10/- each and will be paid to all the equity shareholders whose names appear in the Register of Members of the Company and depositories as on August 3, 2019.

Safety

The Company is fully committed to the ultimate goal of employee safety. Safety training and safety audit and fire drills are periodically conducted for enabling the Company to maintain accident-free record at its factories for several years.

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

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

Code of Business Conduct and Ethics

The Company has in place the Code of Business Conduct and Ethics for member of the Board and senior management personnel (the Code) approved by the Board. The Code is available on the Company's Website in the following weblink https://www.tvs-e.in/pdf/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 March 31, 2019. 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 Chairman 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 Chairman of the Audit Committee on reporting issues concerning Company. This Policy was amended on March 29, 2019 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 www.tvs-e.in.

Prevention of Insider Trading

The Company has a Code of Conduct for Prevention of Insider Trading in line with SEBI (Prevention 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. The Code of Conduct for Insider Trading Regulation and the Fair Practices Code was amended on March 29, 2019 to make it in line with the amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations and SEBI (Prohibition of Insider Trading) Regulations. Code of Conduct for Insider Trading Regulation and the Fair Practices Code are available on the Company's Website www.tvs-e.in.

The Company have also framed a Policy for procedure of inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information on March 29, 2019. The same is available on the Company's Website www.tvs-e.in.

Holding Company

During the previous financial year, the Holding Company M/s. TVS Investments Private Limited (TVSI) [formerly Sundaram Investment Limited] was converted into a private limited company with effect from November 2, 2017, vide Order of the National Company Law Tribunal dated June 21, 2017. TVSI holds 59.96% of the outstanding equity in the Company as on March 31, 2019. There is no change in the shareholding percentage of TVSI in our company for the financial year ended 2018-2019.

Subsidiary Company

Benani Foods Private Limited

Benani Foods Private Limited (Benani), a Company started in the year 2014, is manufacturing and trading 'ready to eat' and 'ready to cook' products. Prime Property Holdings Limited (PPHL) has invested in Benani during 2015. Consequent to amalgamation of PPHL with the Company, Benani has become direct investee in the Company. The total investment in Benani by TVS Electronics Limited (TVSE) was ₹ 5.79 Cr for 54.41% holding.

The Board of Directors of TVSE decided to explore exit opportunity considering the business outlook of Benani. The Company identified M/s. Waycool Foods and Products Private Limited (Waycool) who expressed interest in taking over TVSE stake in Benani with a proposal for a cash consideration of ₹ 1.63 Cr.

Benani obtained Independent valuation report dated March 22, 2019 which placed the valuation of ₹ 1,123.72 per equity share, considering the performance of the Company as on February 28, 2019.

The parties mutually negotiated for a consideration of ₹ 1022 per equity shares and entered into share purchase agreement on March 22, 2019 and TVSE sold its entire shareholding for a cash consideration of ₹ 1.63 Cr (excluding tax demand and one time Due Diligence expense).

After deducting one time due diligence fees of ₹ 2,89,565 and withholding tax liability of ₹ 4,71,567, the Waycool transferred ₹ 1,55,61,868 (₹ 1.56Cr) on March 25, 2019. The amount withheld for tax liability shall be refunded to TVSE upon receiving favorable order.

Pursuant to the Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the sale of subsidiary to Waycool was intimated to the stock exchanges on March 22, 2019.

Consolidated Accounts

The Company has disposed the investment in subsidiary during the reporting period vide Share Purchase Agreement dated March 22, 2019.

As per the provisions of IND AS 110, the consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee. Hence, it is required to consolidate subsidiary until the date it loses the control of such subsidiary during the reporting period.

The Consolidated financial statements of the Company are prepared in accordance with the provisions of Section 129 of Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and Regulation 33 of SEBI (LODR) Regulations, 2015.

A Statement in form AOC -1 under Section 129(3) of the Companies Act, 2013 is enclosed as Annexure A. The audited consolidated financial statements together with Auditors report forms part of the Annual report.

Pursuant to the provisions of Section 136 of the Companies Act, 2013, the audited financial statements of Benani Foods Private Limited (Benani) prepared for the purpose of consolidation will be made available to the shareholders, on receipt of a request from any shareholder of the Company and it has also been placed on the website of the Company at www.tvs-e.in. This will also be available for inspection by the shareholders at the Registered Office of the Company, during business hours.

Annual Return

Extract of Annual Return in Form MGT-9 is given as **Annexure B** to this report. The same shall be available in the website of the Company www.tvs-e.in.

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 March 31, 2019 is ₹18,61,28,180/- consisting of 1,86,12,818 Equity Shares of ₹10/- each. During the year, the Company has not issued any fresh shares.

Particulars of Loans, Guarantees or Investments

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

Related Party Transactions

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

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

During the year under review, the Company has entered into transactions with M/s TVS investments Private Limited, Promoter/ promoter group which holds 10% or more shareholding in the Company as mentioned in Note 33 of Financial statement for the year ended March 31, 2019.

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 www.tvs-e.in.

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 Regulation 16 (1) (b) of the SEBI (LODR) Regulations. 2015. The terms of appointment of Independent Directors are available in the Company's website www.tvs-e.in.

During the year, Mr. Praveen Chakravarty, an Independent Director resigned from the Board of Directors of the Company with effect from August 6, 2018 before the expiry of his term, due to his personal commitment. The Board placed on record its deep appreciation for his valuable advise and guidance and for his contribution to the Board during his tenure with the Company.

During the year Mr. K Balakrishnan and Dr. V Sumantran were appointed as Independent Directors of the Company with effect from August 9, 2018.

During the year, Dr. Nagendra Palle, an independent Director resigned from the Board of directors of the Company with effect from January 31, 2019 before expiry of his term, as he shifted to a place outside India and due to change in the time zone. The Board placed on record its deep appreciation for his valuable advise and guidance and for his contribution to the Board during his tenure with the Company.

During the year Mrs. Subhasri Sriram was appointed as Independent Director of the Company with effect from February 7, 2019.

Separate Meeting of Independent Directors

During the year, a separate meeting of Independent Directors was held on November 1, 2018. 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, retires by rotation at the ensuing Annual General Meeting of the Company under Section 152(6) of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Managing Director

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

The Shareholders in the Annual General Meeting held on August 9, 2018 approved the appointment of her by way of passing special resolution.

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 November 10, 2011 and hence the Company fulfills the requirements of the said section.

In terms of Regulation 17 of SEBI (LODR) Regulations, 2015, the top 500 listed entities shall have at least one Independent Women Director by April 1, 2019 and top 1000 listed entities by April 1, 2020. Though the Company are not in the list of top 500 listed entities as on March 31, 2019, following good corporate governance, the Board at their meeting held on February 7, 2019 appointed Mrs. Subhasri Sriram, Independent Women Director, subject to the appointment of shareholders in the ensuing Annual General Meeting.

Brief resume of Directors

The brief resume of directors proposed to be appointed and re-appointed and other relevant information have been furnished in the Notice of Annual General Meeting (AGM). Appropriate resolutions for their appointment and re-appointment are being placed for approval of the shareholders at the AGM.

Key Managerial Personnel (KMPs)

In terms of Section 2(51) and Section 203 of the Companies Act, 2013, Mrs. Srilalitha Gopal, Managing Director, Mr. Karthi Chandramouli, Chief Financial Officer and Mr. K Santosh, Company Secretary are the key managerial personnel of the Company, as on date of this report.

Mrs. Srilalitha Gopal who was Non Executive Non Independent Director was appointed as Managing Director with effect from May 11, 2018.

Mr. Prakash Katama who was appointed as Chief Executive Officer on October 14, 2015 resigned from the Company with effect from September 30, 2018 due to his personal commitments.

Mrs. S Nagalakshmi who was appointed as Company Secretary and Compliance Officer resigned from the Company with effect from December 31, 2018 due to her personal commitments.

The Board at its meeting held on February 7, 2019 appointed Mr. K Santosh as Compliance Officer of the Company and subsequently appointed him as Company Secretary on May 11, 2019

Evaluation of the Board's performance

The Board has carried out an evaluation of its own performance, and that of its directors including Independent Directors individually and the sub committees of the Board. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

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

Nomination and Remuneration Policy

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

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

The Policy ensures that (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key 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 Board at its meeting held on February 7, 2019 amended the Remuneration Policy to make it in line with the amendments to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The changes were a. Recommend to the Board, all remuneration, in whatever form, payable to senior Management; b. The definition of “Senior Management” to include one level below CEO/MD/WTD; c. Valid quorum shall be 2 members or 1/3rd , whichever is greater; d. The Committee shall meet at least once in a year.

The document as approved by the Board is available on the Company Website www.tvs-e.in.

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 June 30, 2017 for the first term of 5 years to hold office up to the conclusion of the 27th Annual General Meeting.

In terms of the notification issued by Ministry of Corporate Affairs dated May 7, 2018, the requirement of obtaining shareholder’s ratification every year has been done away with and requires only the Board approval. Accordingly, the Board of Directors of the Company at its meeting held on May 11, 2019 approved their appointment for the 3rd year (2019-20) in their term of 5 years to hold office till the conclusion of next annual general meeting.

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

Internal Auditors

The Company has appointed M/s. Grant Thornton India LLP, as the Internal Auditors for the year 2019-20.

Cost Auditors

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

The Board of Directors at their meeting held on May 11, 2019, appointed Mr. P Raju Iyer, Cost Accountant, Chennai as the Cost Auditor of the Company, to carry out the cost audit for 2019-20, subject to the ratification by shareholders for the remuneration to be paid in the ensuing Annual General Meeting.

Secretarial Auditors

The Secretarial Auditors of the Company M/s. S A E & Associates LLP, Chennai, Practicing Company Secretaries, Chennai carried out Secretarial Audit for the financial year 2018-19 and the same is annexed as Annexure C.

The Board of Directors at their meeting held on May 11, 2019, appointed M/s. S A E & Associates LLP, Chennai, Practicing Company Secretaries, Chennai as the Secretarial Auditor of the Company, to carry out the secretarial audit for 2019-20.

Clarification to the observations in the Secretarial Audit Report

The Company were in process of identifying Independent Directors and appointed them during the year. As on the date of this report the Board composition is in accordance with the SEBI (LODR) Regulation, 2015.

The Board has carried out evaluation of its own performance, the Directors individually and its committees and going forward the Company shall specifically record the items highlighted by the Secretarial Auditors in the minutes. Other observations are self-explanatory and hence does not call for any further clarification

Employee Stock Option Plan

During the year, no new stock options were granted under the Employees Stock Options Scheme, 2011. Mr. Prakash Katama was appointed as Chief Executive Officer on October 14, 2015 with a remuneration of ₹ 135 Lakhs and stock options of upto 3,00,000 under ESOP Scheme 2011 with a vesting schedule of 1,50,000 on March 31, 2018 and remaining 1,50,000 on March 31, 2020, subject to the evaluation and approval of Nomination and Remuneration Committee of the Company.

Mr. Prakash Katama resigned from the Company with effect from September 30, 2018 and due to which 1,50,000 options which was due on March 31, 2020 lapsed. The Nomination and Remuneration Committee at its meeting held on February 7, 2019 evaluated the performance of Mr. Prakash Katama and approved 37,500 options out of 1,50,000 stock options and the balance 1,12,500 will not vest. The Company is awaiting confirmation on exercise of approved options from Mr. Prakash Katama.

The details of the Stock Options granted under Employees Stock Option Scheme 2011 are provided in this Report as Annexure D.

Registered Office Address:

The Board of Directors at their meeting held on February 7, 2019 shifted the Registered Office of the Company within the city limits from Jayalakshmi Estates, 29 Haddows Road, Chennai 600 006 to 249A Ambujammal Street, Off TTK Road, Alwarpet Chennai 600 018.

Credit Rating

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

Transfer to Investor Education and Protection Fund

There was no amount required to be transferred to Investor Education and Protection Fund during the year.

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 at the Registered Office of the Company during working hours.

Comparative analysis of remuneration paid

A comparative analysis of remuneration paid to Directors and employees with the Company's performance is given as Annexure E 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 May 1, 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 F 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 April 1, 2017. Accordingly, the Board of Directors of the Company, at their meeting held on May 12, 2017, constituted the CSR Committee, the details of which are provided in the Corporate Governance report.

Based on the recommendation by the CSR Committee, the Board has approved the projects / programs to be undertaken as CSR activities for a sum of ₹ 21.55 Lakhs during the financial year 2018-19. The details of CSR activities has been provided as Annexure G to this report.

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 March 31, 2019.

Material changes and commitments

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

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

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

Reporting of Fraud

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

Secretarial Standards

The Company has complied with Secretarial Standards issued by Institute of Company Secretaries of India ("ICSI") except as mentioned by Secretarial Auditors in Annexure C to Board's Report.

Other laws

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

During the year under review:

Number of complaints received in the year: Nil
Number of complaints disposed off during the year: NA
Number of cases pending for more than 90 days: Nil
Number of Workshop or awareness Program: Two Programs conducted on 25.08.2018 and 22.01.2019
Nature of Action taken by the employer or District Officer: Nil

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 2018-19:

The financial statements have been prepared in accordance with the Indian Accounting Standards, which has become applicable to the Company with effective from April 1, 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 March 31, 2019, 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 March 31, 2019 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 March 31, 2019 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.

ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman
DIN:00177699

Place: Chennai
Date: May 11, 2019

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 March 31, 2019

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:

1. Names of subsidiaries which are yet to commence operations : Nil.
2. Names of subsidiaries which have been liquidated or sold during the year :
   The Company has sold its entire shareholding of 54.41% in M/s. Benani Foods Pvt Ltd (Benani) to M/s. Waycool Foods and Products Private Limited vide Share Purchase Agreement dated March 22, 2019. The same was intimated to the stock exchanges (NSE and BSE) on March 22, 2019. The financials of Benani may be referred in the consolidated financial statement.
3. Since there are no Associate Companies or Joint Ventures, the Part B is not applicable

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

SRILALITHA GOPAL
Managing Director

KARTHI CHANDRAMOULI
Vice President – Finance & CFO

K SANTOSH
Company Secretary

Place: Chennai
Date: May 11, 2019

As per our report of even date annexed

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

BHAVANI BALASUBRAMANIAN
Partner
Membership No: 22156

Annexure B to Board's Report

Form MGT - 9
Extract of Annual Return

as on the Financial Year Ended on 31st March, 2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I Registration & Other Details:

(i)	CIN:-	L30007TN1995PLC032941
(ii)	Registration Date	15/09/1995
(iii)	Name of the Company	TVS Electronics Limited
(iv)	Category / Sub-Category of the Company	Public Company
(v)	Address of the Registered office and contact details	249-A, Ambujammal Street,Off TTK Road, Alwarpet,Chennai-600018
		Tel: 91-44-28277155, E-mail: contactus@tvs-e.in
(vi)	Whether listed company	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Sundaram-Clayton Limited, Jayalakshmi Estates, 1st Floor, 29, Haddows Road, Chennai - 600 006 Tel: 91-44-28307700, E-mail: kr.raman@scl.co.in

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company is given below: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacturing of Computer Printers	26204	3.31%
	Spares of Printers	5800	0.57%
2	Trading of:		
	Computer Printers/Keyboards	47411	1.28%
	Telecom Parts	47414	5.61%
	Distribution Sales - Mobile Phones	46524	88.68%
3	Services	61101	0.54%
4	Scrap	4669	0.02%

III. Particulars of Holding, Subsidiary and Associate Companies:-

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	T V Sundram Iyengar & Sons Private Limited, TVS Building, West Veli Street, Madurai - 625 001.	U34101TN1929PTC002973	Ultimate Holding Company	59.96% (through Sl. No. 2)	Sec.2(46)
2	TVS Investments Private Limited (Formerly Sundaram Investment Limited), Jayalakshmi Estates, 29, Haddows Road, Chennai - 600 006.	U65993TN2004PLC054696	Holding Company	59.96%	Sec.2(46)

*The Company sold its entire shareholding of 54.41% in Benani Foods Pvt Ltd which was Subsidiary of the Company vide Share Purchase Agreement Dated March 22, 2019 to Waycool Foods and Products Pvt Ltd. The same was intimated to the stock exchanges.

IV. Share holding pattern (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year			
		Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares
A.	Promoters												
(1)	Indian												
(a)	individual/ HUF		-				-			-	-	-	-
(b)	Central Govt.	-	-	-	-	-	-	-	-	-	-	-	-
(c)	State Govt.	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	11,160,093		11,160,093	59.96%	11,160,093		11,160,093	59.96%	-	-	-	-
(e)	Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any other	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	11,160,093	-	11,160,093	59.96%	11,160,093	-	11,160,093	59.96%	-	-	-	-
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-
(a)	NRIs - individuals	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any other	-	-	-	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	11,160,093	-	11,160,093	59.96%	11,160,093	-	11,160,093	59.96%	-	-	-	-
B.	Public Shareholding												
(1)	Institutions												
(a)	Mutual Funds	1,500	2,700	4,200	0.02%	1,500	2,700	4,200	0.02%	-	0	-	0.00%
(b)	Banks/ Financial Institutions	4,950	600	5,550	0.03%	36,738	600	37,338	0.20%	31,788	0	31,788	0.17%
(c)	Central Govt.	-	-	-	0	-	-	-	0	-	-	-	-
(d)	State Govt.	-	-	-	0	-	-	-	0	-	-	-	-
(e)	Venture Capital Funds	-	-	-	0	-	-	-	0	-	-	-	-
(f)	Insurance Companies	-	-	-	0	-	-	-	0	-	-	-	-
(g)	FIIs	-	100	100	0	-	100	100	0	-	-	-	-
(h)	Foreign Venture Capital Funds	-	-	-	0	-	-	-	0	-	-	-	-
(i)	Others (specify)												

	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year			
		Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares	Demat	Physical	Total	%of total shares
	Foreign Portfolio Investors - Corporate	16,111	-	16,111	0.09%	0	-	-	0.00%	(16,111)	-	(16,111)	-0.09%
	Sub-total (B) (1)	22,561	3,400	25,961	0.14%	38,238	3,400	41,638	0.22%	15,677	-	15,677	0.08%
(2)	Non- Institutions												
(a)	Bodies Corporate												
(i)	Indian	420,722	370,951	791,673	4.25%	413,162	367,301	780,463	4.19%	(7,560)	(3,650)	(11,210)	-0.06%
(ii)	Overseas	-	-	-	-	-	-	-	-	-	-	-	-
(b)	individuals												
(i)	Individual Shareholders holding nominal share capital upto ₹ One Lakh	4,852,632	417,706	5,270,338	28.32%	5,003,385	363,004	5,366,389	28.83%	150,753	(54,702)	96,051	0.52%
(ii)	Individual Shareholders holding nominal share capital in excess of ₹ One Lakh	1,039,712	20,000	1,059,712	5.69%	949,644	20,000	969,644	5.21%	(90,068)	-	(90,068)	-0.48%
(c)	Others (specify)												
	NRI Non-Repartriable	30,304	600	30,904	0.17%	28,513	1,200	29,713	0.16%	(1,791)	600	(1,191)	-0.01%
	NRI Repartriable	130,987	143,150	274,137	1.47%	138,228	126,650	264,878	1.42%	7,241	(16,500)	(9,259)	-0.05%
	Sub-total (B) (2)	6,474,357	952,407	7,426,764	39.90%	6,532,932	878,155	7,411,087	39.82%	58,575	(74,252)	(15,677)	-0.08%
	Total Public Shareholding (B) = (B) (1) + (B) (2)	6,496,918	955,807	7,452,725	40.04%	6,571,170	881,555	7,452,725	40.04%	74,252	(74,252)	-	0.00%
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-
	GRAND TOTAL [A + B + C]	17,657,011	955,807	18,612,818	100.00%	17,731,263	881,555	18,612,818	100.00%	74,252	(74,252)	-	0.00%

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	TVS Investments Private Limited *	11,160,093	59.96	0	11,160,093	59.96	0	-
	TOTAL	11,160,093	59.96	0	11,160,093	59.96	0	-

* converted into private limited company with effect from November 2, 2017

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Change			
	At the End of the year *				

* There is no change in the number of shares held during the year.

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

S. No	Name of the shareholders	Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
							No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	TRANZMUTE BUSINESS ADVISORY LLP	350,000	01/04/2018 31/03/2019 No Change	Opening balance Closing balance	-	-	-	-	350,000	1.88
2	MOTILAL OSWAL FINANCIAL SERVICES LTD	-	01/04/2018 29.03.2019 31/03/2019	Opening balance Transfer / Purchase Closing balance	65,058	0.35	65,058	0.35	65,058	0.35
3	M. PARAS	51,577	01/04/2018 31/03/2019	Opening balance Closing balance					51,399	0.28
			No Change							
4	KARVY STOCK BROKING LTD (BSE)	45,365	01/04/2018	Opening balance						
			06-04-2018	Transfer / Sale	4282	0.02	41,083	0.22		
			13-04-2018	Transfer / Sale	8041	0.04	33,042	0.18		
			20-04-2018	Transfer / Sale	395	0.00	32,647	0.18		
			20-04-2018	Transfer / Purchase	7903	0.04	40,550	0.22		
			27-04-2018	Transfer / Sale	5322	0.03	35,228	0.19		
			04-05-2018	Transfer / Sale	160	0.00	35,068	0.19		
			04-05-2018	Transfer / Purchase	4976	0.03	40,044	0.22		
			11-05-2018	Transfer / Purchase	812	0.00	40,856	0.22		
			11-05-2018	Transfer / Sale	1390	0.01	39,466	0.21		
			18-05-2018	Transfer / Sale	50	0.00	39,416	0.21		
			18-05-2018	Transfer / Purchase	2890	0.02	42,306	0.23		
			25-05-2018	Transfer / Sale	45	0.00	42,261	0.23		
			25-05-2018	Transfer / Purchase	1419	0.01	43,680	0.23		
			01-06-2018	Transfer / Purchase	144	0.00	43,824	0.24		
			01-06-2018	Transfer / Sale	2081	0.01	41,743	0.22		
			08-06-2018	Transfer / Purchase	2136	0.01	43,879	0.24		
			15-06-2018	Transfer / Purchase	506	0.00	44,385	0.24		
			22-06-2018	Transfer / Purchase	8749	0.05	53,134	0.29		

S. No	Name of the shareholders	Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
							No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
			22-06-2018	Transfer / Sale	8887	0.05	44,247	0.24		
			29-06-2018	Transfer / Sale	30	0.00	44,217	0.24		
			29-06-2018	Transfer / Purchase	48	0.00	44,265	0.24		
			06-07-2018	Transfer / Purchase	1025	0.01	45,290	0.24		
			13-07-2018	Transfer / Sale	20	0.00	45,270	0.24		
			13-07-2018	Transfer / Purchase	718	0.00	45,988	0.25		
			20-07-2018	Transfer / Purchase	1185	0.01	47,173	0.25		
			20-07-2018	Transfer / Sale	2906	0.02	44,267	0.24		
			27-07-2018	Transfer / Sale	1236	0.01	43,031	0.23		
			27-07-2018	Transfer / Purchase	2344	0.01	45,375	0.24		
			02-08-2018	Transfer / Sale	412	0.00	44,963	0.24		
			03-08-2018	Transfer / Sale	29	0.00	44,934	0.24		
			03-08-2018	Transfer / Purchase	656	0.00	45,590	0.24		
			10-08-2018	Transfer / Sale	298	0.00	45,292	0.24		
			10-08-2018	Transfer / Purchase	1945	0.01	47,237	0.25		
			17-08-2018	Transfer / Sale	200	0.00	47,037	0.25		
			17-08-2018	Transfer / Purchase	514	0.00	47,551	0.26		
			24-08-2018	Transfer / Sale	100	0.00	47,451	0.25		
			24-08-2018	Transfer / Purchase	1478	0.01	48,929	0.26		
			31-08-2018	Transfer / Purchase	100	0.00	49,029	0.26		
			31-08-2018	Transfer / Sale	1445	0.01	47,584	0.26		
			07-09-2018	Transfer / Purchase	10	0.00	47,594	0.26		
			07-09-2018	Transfer / Sale	1267	0.01	46,327	0.25		
			14-09-2018	Transfer / Purchase	331	0.00	46,658	0.25		
			21-09-2018	Transfer / Sale	89	0.00	46,569	0.25		
			21-09-2018	Transfer / Purchase	1320	0.01	47,889	0.26		
			28-09-2018	Transfer / Purchase	127	0.00	48,016	0.26		
			28-09-2018	Transfer / Sale	548	0.00	47,468	0.26		
			05-10-2018	Transfer / Sale	11	0.00	47,457	0.25		

S. No	Name of the shareholders	Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
							No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
			05-10-2018	Transfer / Purchase	838	0.00	48,295	0.26		
			12-10-2018	Transfer / Sale	187	0.00	48,108	0.26		
			12-10-2018	Transfer / Purchase	2045	0.01	50,153	0.27		
			19-10-2018	Transfer / Purchase	1	0.00	50,154	0.27		
			19-10-2018	Transfer / Sale	1047	0.01	49,107	0.26		
			26-10-2018	Transfer / Purchase	118	0.00	49,225	0.26		
			02-11-2018	Transfer / Purchase	49	0.00	49,274	0.26		
			02-11-2018	Transfer / Sale	500	0.00	48,774	0.26		
			09-11-2018	Transfer / Sale	28	0.00	48,746	0.26		
			09-11-2018	Transfer / Purchase	465	0.00	49,211	0.26		
			16-11-2018	Transfer / Purchase	973	0.01	50,184	0.27		
			23-11-2018	Transfer / Purchase	319	0.00	50,503	0.27		
			30-11-2018	Transfer / Sale	148	0.00	50,355	0.27		
			30-11-2018	Transfer / Purchase	225	0.00	50,580	0.27		
			07-12-2018	Transfer / Sale	859	0.00	49,721	0.27		
			14-12-2018	Transfer / Sale	1090	0.01	48,631	0.26		
			21-12-2018	Transfer / Sale	45	0.00	48,586	0.26		
			21-12-2018	Transfer / Purchase	256	0.00	48,842	0.26		
			28-12-2018	Transfer / Sale	78	0.00	48,764	0.26		
			28-12-2018	Transfer / Purchase	299	0.00	49,063	0.26		
			31-12-2018	Transfer / Sale	33	0.00	49,030	0.26		
			04-01-2019	Transfer / Sale	30	0.00	49,000	0.26		
			04-01-2019	Transfer / Purchase	2003	0.01	51,003	0.27		
			11-01-2019	Transfer / Sale	9	0.00	50,994	0.27		
			11-01-2019	Transfer / Purchase	746	0.00	51,740	0.28		
			18-01-2019	Transfer / Sale	4428	0.02	47,312	0.25		
			25-01-2019	Transfer / Sale	10	0.00	47,302	0.25		
			25-01-2019	Transfer / Purchase	2993	0.02	50,295	0.27		
			01-02-2019	Transfer / Purchase	7	0.00	50,302	0.27		

S. No	Name of the shareholders	Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
							No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
			01-02-2019	Transfer / Sale	1219	0.01	49,083	0.26		
			08-02-2019	Transfer / Sale	24	0.00	49,059	0.26		
			08-02-2019	Transfer / Purchase	121	0.00	49,180	0.26		
			15-02-2019	Transfer / Purchase	5	0.00	49,185	0.26		
			15-02-2019	Transfer / Sale	58	0.00	49,127	0.26		
			22-02-2019	Transfer / Sale	1680	0.01	47,447	0.25		
			01-03-2019	Transfer / Purchase	2052	0.01	49,499	0.27		
			08-03-2019	Transfer / Sale	17	0.00	49,482	0.27		
			08-03-2019	Transfer / Purchase	429	0.00	49,911	0.27		
			15-03-2019	Transfer / Sale	506	0.00	49,405	0.27		
			22-03-2019	Transfer / Sale	249	0.00	49,156	0.26		
			22-03-2019	Transfer / Purchase	2332	0.01	51,488	0.28		
			29-03-2019	Transfer / Sale	70	0.00	51,418	0.28		
			29-03-2019	Transfer / Sale	2224	0.01	49,194	0.26		
			31/03/2019	Closing balance					49,194	0.26
5	R RAMARAJ	35,000	01/04/2018	Opening balance						
			31/03/2019	Closing balance					35,000	0.19
			No Change							
6	SACHIDANAND MADAN	27,094	01/04/2018	Opening balance						
	RENU MADAN		31/03/2019	Closing balance					27,094	0.15
			No Change							
7	AXIS BANK LIMITED	4,450	01/04/2018	Opening balance						
			06-04-2018	Transfer / Sale	4,415	0.02	35	0.00		
			13-04-2018	Transfer / Sale	25	0.00	10	0.00		
			20-04-2018	Transfer / Purchase	100	0.00	110	0.00		
			27-04-2018	Transfer / Purchase	290	0.00	400	0.00		
			11-05-2018	Transfer / Purchase	81	0.00	481	0.00		
			18-05-2018	Transfer / Purchase	30	0.00	511	0.00		
			25-05-2018	Transfer / Purchase	100	0.00	611	0.00		

S. No	Name of the shareholders	Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
							No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
			15-06-2018	Transfer / Sale	100	0.00	511	0.00		
			29-06-2018	Transfer / Sale	29	0.00	482	0.00		
			13-07-2018	Transfer / Sale	30	0.00	452	0.00		
			02-08-2018	Transfer / Sale	41	0.00	411	0.00		
			10-08-2018	Transfer / Sale	11	0.00	400	0.00		
			21-09-2018	Transfer / Purchase	500	0.00	900	0.00		
			28-09-2018	Transfer / Sale	700	0.00	200	0.00		
			02-11-2018	Transfer / Purchase	500	0.00	700	0.00		
			09-11-2018	Transfer / Sale	500	0.00	200	0.00		
			07-12-2018	Transfer / Sale	50	0.00	150	0.00		
			21-12-2018	Transfer / Sale	100	0.00	50	0.00		
			01-02-2019	Transfer / Sale	50	0.00	0	0.00		
			08-03-2019	Transfer / Purchase	7,830	0.04	7,830	0.04		
			15-03-2019	Transfer / Sale	160	0.00	7,670	0.04		
			22-03-2019	Transfer / Purchase	100	0.00	7,770	0.04		
			29-03-2019	Transfer / Purchase	18,990	0.10	26,760	0.14		
			31/03/2019	Closing balance					26,760	0.14
8	ANITA RAWAT	25,000	01/04/2018	Opening balance						
			31/03/2019	Closing balance					25,000	0.13
			No Change							
9	JAYESH LALITCHANDRA DAVE	21,395	01/04/2018	Opening balance						
			01/06/2018	Transfer / Sale	21,395	0.11	0	0.00		
			27/07/2018	Transfer / Purchase	21,395	0.11	21,395	0.11		
			31/03/2019	Closing balance					21,395	0.11
10	RAMAKRISHNA RAJASEKHARAN NAIR	20,000	01/04/2018	Opening balance						
	VASANTHA RAJASEKHARAN NAIR		31/03/2019	Closing balance					20,000	0.11
			No Change							

(v) Shareholding of Directors and Key Managerial Personnel:

Name of the Director / KMP (M/s.)	Opening Balance	Date of increase or decrease (Benpos date)	Reasons for increase or decrease	No. of shares	% of total shares of the Company	Cumulative		Closing Balance	
						No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
GOPAL SRINIVASAN	150	No Change	Opening balance	-	-	-	-		
			Closing balance	-	-	-	-	150	0.00
SRILALITHA GOPAL	NIL	-	-	-	-	-	-	NIL	-
D SUNDARAM	NIL	-	-	-	-	-	-	NIL	-
M LAKSHMINARAYAN	NIL	-	-	-	-	-	-	NIL	-
M F FAROOQUI	NIL	-	-	-	-	-	-	NIL	-
R S RAGHAVAN	NIL	-	-	-	-	-	-	NIL	-
K BALAKRISHNAN	NIL	-	-	-	-	-	-	NIL	-
V SUMANTRAN	NIL	-	-	-	-	-	-	NIL	-
SUBHASRI SRIRAM	NIL	-	-	-	-	-	-	NIL	-

*Mr. Narayan K Seshadri resigned from the Directorship of the Company w.e.f May 6, 2019. He is holding 5,30,000 equity shares of the Company (2.85%) and there are no changes from the previous year.

V. Indebtedness

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

₹ in Lakhs

Sl. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year	329.24	-	-	329.24
(i)	Principal Amount	329.24	-	-	329.24
(ii)	Interest due but not paid	-	-	-	-
(iii)	Interest accrued but not due	2.35	-	-	2.35
	Total (i+ii + iii)	331.59	-	-	331.59
	Change in Indebtedness during the financial year				-
	Addition		-	-	-
	Reduction	(331.59)	-	-	(331.59)
	NET CHANGE	(331.59)	-	-	(331.59)
(i)	Indebtedness at the end of the financial year		-	-	-
(ii)	Principal Amount	-	-	-	-
(iii)	Interest due but not paid	-	-	-	-
	Interest accrued but not due	-	-	-	-
	Total (i+ii + iii)	-	-	-	-

Refer long term borrowings, short term borrowings and current maturities of long-term debt

VI. Remuneration of Directors and Key Managerial Personnel

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

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross Salary	Mrs. Srilalitha Gopal, Managing Director	
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	79.92	79.92
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-
2	Stock Option as per debit to Statement of Profit and Loss	-	-
3	Sweat Equity	-	-
4	Commission -	-	-
	- as % of Profits	-	-
	- Others, specify	-	-
5	Others, please specify (Variable Pay)	51.88	51.88
	Total (A)	131.80	131.80
	Ceiling as per the Act*	Not Applicable	Not Applicable

*Special Resolution is obtained at Annual General Meeting held on August 9, 2018

B. Remuneration to other Directors:

₹ in Lakhs

Particulars of Remuneration	Name of Directors							Total Amount
Independent Directors	Mr. Praveen Chakravarty*	Dr. Nagendra Palle^	Mr. M Lakshminarayan	Mr. M F Farooqui	Mr. K Balakrishnan $	Dr V Sumanthran $	Mrs. Subhasri Sriram #	
Fees for attending Board, Committee Meetings	0.25	1.00	2.50	3.00	1.00	0.50	0.25	8.50
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
Total (1)	0.25	1.00	2.50	3.00	1.00	0.50	0.25	8.50

	Name of Directors					
Other Non-Executive Directors	Mr. Gopal Srinivasan	Mrs. Srilalitha Gopal <	Mr. D Sundaram	Mr. Narayan K Seshadri%	Mr. R S Raghavan	
Fees for attending Board, Committee Meetings	1.00	0.75	3.00	1.25	1.25	7.25
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
Total (2)	1.00	0.75	3.00	1.25	1.25	7.25
Total (B) = (1)+(2)						15.75
Total Managerial Remuneration (A) + (B)	Not Applicable					
Overall Ceiling as per the Act	Not Applicable					

* Ceased to be a Director with effect from August 6, 2018
^ Ceased to be a Director with effect from January 31, 2019
% Ceased to be a Director with effect from May 6, 2019
$ Appointed as Directors with effect from August 9, 2018
# Appointed as Director with effect from February 7, 2019
< Appointed as Managing Director with effect from May 11, 2018

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

₹ in Lakhs

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	CEO	CFO	Total
1	Gross Salary				
(a)	Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	18.13	78.39	38.46	134.98
(b)	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-	-	-	-
(c)	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
--	as % of Profits	-	-	-	-
--	Others, specify	-	-	-	-
5	Others, please specify, Variable	-	-	-	-
	Total	18.13	78.39	38.46	134.98

VII. Penalties / Punishment / Compounding of Offences: Nil

Sl No.	Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A.	COMPANY					
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty			Not Applicable		
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty					
	Punishment					
	Compounding					

Notes: Extract of Annual Return as per Form No. MGT- 9 shall form part of the Board's Report attached to the Audited Financial Statements of the Company

For and on behalf of the Board

Place: Chennai
Date: May 11, 2019

GOPAL SRINIVASAN
Chairman
DIN: 00177699

Annexure C to Board's Report

Secretarial Audit Report
For the Financial Year Ended March 31, 2019

To,
The Members,
TVS ELECTRONICS LIMITED,
249-A, Ambujammal Street,
Off TTK Road Alwarpet Chennai -600018

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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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 authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 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 the Company for the financial year ended on 31st March 2019 according to the provisions of:

(i) (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;-Not Applicable
(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) 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, 2009;-Not applicable
   d) SEBI (Share Based Employee Benefits) Regulations, 2014.
   e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
   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;

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) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations/observations specified elsewhere in this report:

(A) Under Companies Act, 2013

   i) The annual return for the Financial Year 2017-18 was not signed by the Company Secretary in employment of the Company. However the same was signed by a practising company secretary.

(B) Under Secretarial Standards:

   For the first half of the financial year, the draft minutes and the signed minutes of the Board and committee meetings were not circulated within 15 days of the conclusion of the respective meetings and signing of the minutes, respectively. However the same is being done from the 2nd half of the financial year.

(C) Under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

   i) Since, the non-executive Chairman of the Company is related to the promoter of the Company, atleast one-half of the Board of Directors of the Company should consist of independent directors in terms of regulation 17(1)(b) of these Regulations. However only 4 out of 9 directors of the Company were independent directors as on 8th August 2018. Subsequently, the Board had appointed 2 independent directors on 9th August 2018, thereby raising the count of independent directors on the Board to 50%.

ii) As per proviso to clause (a) of sub-regulation (3) of regulation 52, while publishing the annual audited financial results, in case of audit reports issued with unmodified opinion, the Company is also required to furnish a declaration to the Stock Exchanges, that the audit report is with unmodified opinion. In this regard, there was a delay in filing the said declaration with the stock exchange for the financial results filed with the stock exchange for the financial year ended 31st March 2018.

iii) The minutes of the meetings of the Board of Directors of the Company's subsidiary, Benani Foods Private Limited were not placed for noting at the Board meetings of the Company held during the period under audit. No longer Subsidiary from 22nd March 2019

iv) The Regulation 17(10) requires the entire board of directors to evaluate the performance of the Independent Directors. However the minutes of the meetings of the board held during the FY 2018-19 does not contain this subject.

v) Pursuant to regulation 18(3) read with Schedule II Part C Clause B , the Audit Committee is required to mandatorily review the Management Discussion and Analysis of financial condition. However the same was not part of the minutes of the Audit committee meetings held during the financial year 2018-19.

vi) The Company had received a notice from the Bombay Stock Exchange and National Stock Exchange in relation non-compliance of the Nomination and remuneration committee as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company responded to the stock exchanges clarifying that the Company is in compliance with the provisions relating to the composition of the Nomination and remuneration committee as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and basis which, the BSE and NSE has waived off the fine.

vii) Pursuant to regulation 25(3) requires the Independent Directors to meet once year and discuss the items mentioned in regulation 25(4). However we were unable to verify matters transacted at the meeting pursuant to the non-availability of the minutes of the meeting of the Independent Directors.

(vi) As represented by the Company, we further report that, there are no industry specific laws which are applicable to the Company.

We further report that

As on 31st March 2019, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Further during the financial year there were following changes in the directorships:

1. Mr.Balakrishnan Kavikkal and Mr. Venkataramani Sumantran were appointed as Independent Directors of the Company on 09th August 2018, and Ms. Subhasri Sriram was appointed as Independent Director on 07th February 2019.
2. Mr. Praveen Chakravarty, Independent Director of the Company resigned from the Board on 06th August 2018, and Mr.Nagendra Palle, Independent Director of the Company resigned from the Board on 31st January 2019.
3. Ms.Srilalitha Gopal, Director of the Company was appointed as the Managing Director of the Company on 11th May 2018.

Adequate notice is given to all directors to schedule the Board Meetings. However agenda and detailed notes on agenda were sent less than seven days before the respective Board and committee meetings held before 7th February 2019.

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

Based on the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company 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 that during the audit period the following were the events or actions having a major bearing on the Company's affairs:

1. The Company has transferred its entire shareholding of 54.41% held in Benani Foods Private Limited to Waycool Foods and Products Private Limited vide Agreement dated 22nd March 2019 for a consideration of Rs. 1,63,23,000 (One Crore Sixty Three Lakhs Twenty Three Thousand Only)

2. The Company has shifted its registered office from "Jayalakshmi Estates", 29, Haddows Road, Chennai 600 006 to 249A, Ambujammal Street, Off TTK Road, Alwarpet, Chennai – 600 018 with effect from 07th February 2019.

3. An agreement entered with a mobile phone manufacturer for distribution of its products was terminated as per terms on 31st July 2018. However the warranty and repair management services for their products continued.

For S.A.E & ASSOCIATES LLP
Company Secretaries

ADIT N BHUVA,
Partner
ACS: 29660; CP.No. 10999

Place: Chennai
Date: May 11, 2019

To,
The Members,
TVS ELECTRONICS LIMITED,
249-A, Ambujammal Street,
Off TTK Road Alwarpet Chennai -600018

Our Secretarial Audit Report of even date is to be read along with this letter.

1. It is the Management's Responsibility to maintain secretarial records, and to devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

2. Our responsibility as the Secretarial Auditor is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.

3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

5. 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 S.A.E & ASSOCIATES LLP
Company Secretaries

ADIT N BHUVA,
Partner
ACS: 29660; CP.No. 10999

Place: Chennai
Date: May 11, 2019

Annexure D 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	5,90,000*
e)	The total no. of ordinary shares arising as a result of exercise of options	5,90,000*
f)	Options lapsed	4,77,500*
g)	Variation of terms of options	Nil
h)	Money realized by exercise of options	59,00,000*
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.	₹ 3.99

* The details excludes 37,500 options approved by NRC to Mr. Prakash Katama as the Company is awaiting confirmation on exercising the same by him.

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman
DIN : 00177699

Place: Chennai
Date: May 11, 2019

Annexure E 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
	D Sundaram	NENID	NA	NA
	Srilalitha Gopal*	ENID	1:42	NA
	Praveen Chakravarty**	NEID	NA	NA
	Nagendra Palle***	NEID	NA	NA
	M. Lakshminarayan	NEID	NA	NA
	M F Farooqui	NEID	NA	NA
	Narayan K Seshadri****	NENID	NA	NA
	R S Raghavan	NENID	NA	NA
	K Balakrishnan	NEID	NA	NA
	V Sumantran	NEID	NA	NA
	Subhasri Sriram	NEID	NA	NA
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		523	
4.	Average percentile increase in the salaries of employees other than the managerial personnel during the year 2018-19 was 10.55% and for the managerial personnel was 5.00%. The increase in the salaries of employees and managerial personnel is based on the Company and Individual performance.			
5.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.			

*Appointed as Managing Director with effect from May 11, 2018.
**Resigned with effect from 6th August, 2018
***Resigned with effect from January 31, 2019
****Resigned with effect from May 6, 2019

NENID – Non Executive Non Independent Director
ENID – Executive Non Independent Director
NEID – Non Executive Independent Director

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman
DIN : 00177699

Place: Chennai
Date: May 11, 2019

Annexure F 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	Developed new Power Supply Unit with 50% reduction in standby power consumption and 10% reduction in operating power consumption.
ii.	the steps taken by the company for utilizing alternate sources of energy	Introduced Solar Operated Dot Matrix Printer. DC-DC power source compatible with solar power.
iii.	the capital investment on energy conservation equipments	NIL

(b) Technology absorption

(i)	the efforts made towards technology absorption	> Incorporated Auto pairing technology in Mobile Thermal Printer. > Incorporated to work with Ac power as well Battery operated Mobile Thermal Printer. > Incorporated Battery power Management to long lasting battery in Mobile Thermal Printer. > Solar Power/Battery Operated Dot Matrix Printer. > Electronic Fuse Technology in 9W DMP. > Raster Graphics support for 24W DMP. > Bluetooth Support in 9W/24W DMP.
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	Developed Customized thermal printer mechanism for a unique special application. Developed New Thermal printer for ticketing application. Product quality improved by enhanced overload / reverse polarity protection in 9W MLC. Cost effective alternate Power Supply Unit developed and implemented for 9W DMP.
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NA
(a)	the details of technology imported	NA
(b)	the year of import;	NA
(c)	whether the technology been fully absorbed	NA
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NA
(iv)	the expenditure incurred on Research and Development	₹ 51.58 lakhs.

(c) Foreign exchange earnings and Outgo

The Company exported Printers and other components

In ₹ Lakhs

		31st March, 2019	31st March, 2018
(a)	Total Forex earned (FOB) :	336.69	2,494.95
(b)	Total Forex used (FOB):	6160.55	8,836.77

For and on behalf of the Board

Place: Chennai
Date: May 11, 2019

GOPAL SRINIVASAN
Chairman
DIN : 00177699

Annexure G to Board's Report

Particulars of Corporate Social Responsibility (CSR) Activities

1	A brief outline of the Company's CSR Policy, overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR Policy.	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: https://www.tvs-e.in/pdf/TVSE-CSR-policy.pdf
2	Composition of the CSR committee	Mr. M Lakshminarayan, Chairman Mr. D Sundaram, Member Mr. R S Raghavan, Member
3	Average net profits of the Company for the last three financial years	₹ 1,077.39 Lakhs
4	Prescribed CSR Expenditure (2% of the amount as in item 3 above)	₹ 21.55 Lakhs
5	Details of CSR spent during the financial year	
	(a) Total amount spent for the financial year	₹ 21.82 Lakhs
	(b) Amount unspent, if any	Not applicable

(c) Manner in which the amount has been spent during the financial year

SL. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1.Direct Expenditure or 2.Overhead	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
i.	Education Scholarship to students	Education	Sri Siddhaganga Mutt, Tumkur, Karnataka	-	13,60,230 (Direct Expenditure)	-	Directly spent
ii.	Promoting traditional music	Art and Culture	Sri Parthasarathy Swami Sabha, Chennai Tamilnadu	-	75,000 (Direct Expenditure)	-	Directly spent
iii.	Promoting cultural music and dance	Art and Culture	Sri Thyaga Brahma Gana Sabha, chennai, tamilnadu	-	30,000 (Direct Expenditure)	-	Directly spent
iv.	School awards- SSLC Students	Education	Hirehalli High school, Tumkur	-	6,000 (Direct Expenditure)	-	Directly spent
v.	School Scholarship	Education	Ranjitha- Siddha Ganga institute of Technology, Tumkur Brundha H S Manasa GL Chaithra S	-	80,000 (Direct Expenditure)	-	Directly spent

SL. No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1)Local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (Budget) project or programs wise	Amount spent on the projects or programs Sub-heads: 1.Direct Expenditure or 2.Overhead	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
vi.	Donation of Desktops for the school	Education	Gandhi Niketan- Sri Venkatachalapathy, Higher Secondary School, Kallupatti Tamilnadu	-	6,30,700.56 (Direct Expenditure)	-	Directly spent

6	In case the company has failed to spend the two percent of the average net profits of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.	NA
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.	The implementation and monitoring of CSR Policy is in accordance with the CSR objectives and policy of the Company. The CSR Committee has ensured that all the identified projects are in line with the Act, which has been periodically reviewed and is led by the Chairman of the CSR Committee.

For and on behalf of TVS Electronics Limited

Place: Chennai
Date: May 11, 2019

SRILALITHA GOPAL
Managing Director
DIN: 02329790

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 March 31, 2019, the Board of Directors of the Company consisted of Ten (10) Directors comprising of a Non-Executive and Non-Independent Chairman, Managing Director, three Non-Executive and Non-Independent Directors, and five Non-Executive Independent Directors. All Board members are accomplished professionals in their respective fields of expertise.

At the Board meeting held on May 11, 2018, Mrs. Srilalitha Gopal, has been appointed as the Managing Director. None of the Directors are related to each other except Mr. Gopal Srinivasan and Mrs. Srilalitha Gopal who are spouses.

During the year under review the following Directors were resigned;

1. Mr. Praveen Chakravarty, an independent Director resigned from his directorship on August 6, 2018 before expiry of his tenure, due to his personal commitment.
2. Dr. Nagendra Palle, an independent Director resigned from his directorship with effect from January 31, 2019 before expiry of his term, as he has relocated to other Country with different time zone.

The Board confirms that there are no other material reasons other than those provided in the above.

The Board placed on record its deep appreciation for their valuable advice and guidance and for contribution to the Board during their tenure with the Company.

During the year under review the following Directors were appointed;

1. The Board of Directors appointed Mr. K Balakrishnan as Independent Director for a term of 5 years with effect from August 9, 2018, subject to the approval of shareholders at the ensuing Annual General Meeting.
2. The Board of Directors appointed Dr. V Sumantran as Independent Director for a term of 5 years with effect from August 9, 2018, subject to the approval of shareholders at the ensuing Annual General Meeting.
3. The Board of Directors appointed Mrs. Subhasri Sriram as Independent Director for a term of 5 years with effect from February 7, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting.

The structure consists of Board of Directors and various sub committees overseeing the entire management.

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

During the financial year 2018-19, four Board Meetings were held respectively on May 11, 2018, August 9, 2018, November 2, 2018, and February 7, 2019. The gap between any two meetings did not exceed 120 days.

The last Annual General Meeting (AGM) of the Company was held on August 9, 2018. As Mr. Praveen Chakravarty, Chairman of the Audit Committee resigned with effect from August 6, 2018, Mr. D. Sundaram, member of Audit Committee and Chairman of the Stakeholders Relationship Committee attended the AGM and Mr. M F Farooqui, Chairman of the Nomination and Remuneration Committee attended the AGM.

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 2018-19 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 2018-19		Whether attended last AGM held on August 9, 2018	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	4	4	Yes	19	2	-
Mrs. Srilalitha Gopal DIN 02329790	Executive Director	4	4	Yes	4	-	-
Mr. D Sundaram DIN 00016304	Non Independent Non-Executive	4	4	Yes	7	6	4
Mr. Praveen Chakravarty * DIN 00766422	Independent Non-Executive	1	-	NA	2	-	-
Dr. Nagendra Palle # DIN 06964686	Independent Non-Executive	3	2	No	1	-	-
Mr. M Lakshminarayan DIN 00064750	Independent Non-Executive	4	3	Yes	12	3	1
Mr. M F Farooqui DIN 01910054	Independent Non-Executive	4	4	Yes	1	-	-
Mr. Narayan K Seshadri ~ DIN 00053563	Non Independent Non-Executive	4	3	No	16	6	4
Mr. R S Raghavan DIN 00260912	Non Independent Non-Executive	4	4	Yes	3	2	-
Mr. K Balakrishnan$ DIN 00722447	Independent Non Executive	3	3	NA	3	1	-
Dr. V Sumantran$ DIN 02153989	Independent Non-Executive	3	2	NA	3	2	-
Mrs. Subhasri Sriram^ DIN 01998599	Independent Non-Executive	1	1	NA	4	-	-

(a) includes directorship of private limited companies and body corporates.
(b) Includes membership of Audit Committee, Stakeholders Relationship Committee only.
* Ceased to be a Director with effect from August 6, 2018.
# Ceased to be a Director with effect from January 31, 2019.
$ appointed as Independent Director with effect from August 9, 2018
^ appointed as Independent Director with effect from February 7, 2019
~ Ceased to be a Director with effect from May 6, 2019.

SL. No	Name of the Director	Name of Listed Company	Category of Directorship
1	Mr. Gopal Srinivasan Chairman DIN 00177699	Sundaram -Clayton Limited Wonderla Holidays Limited Indian Energy Exchange Limited	Non Executive Director Independent Director Non Executive Director
2	Mrs. Srilalitha Gopal DIN 02329790	NIL	
3	Mr. D Sundaram DIN 00016304	Glaxosmithkline Pharmaceuticals Limited Acc Limited Crompton Greaves Consumer Electricals Limited Infosys Limited	Independent Director Independent Director Independent Director Independent Director
4	Mr. Praveen Chakravarty * DIN 00766422	NIL	
5	Dr. Nagendra Palle # DIN 06964686	NIL	
6	Mr. M Lakshminarayan DIN 00064750	Kirloskar Oil Engines Limited Suprajit Engineering Limited- Wabco India Limited Rane (Madras) Limited Wendt India Limited Asm Technologies Limited	Independent Director Independent Director Independent Director Independent Director Independent Director Non Executive Director
7	Mr. M F Farooqui	The Ramco Cements Limited	Independent Director
8	Mr. Narayan K Seshadri ~ DIN 00053563	PI Industries Limited Astrazeneca Pharma India Limited Wabco India Limited Kalpataru Power Transmission Limited CG Power And Industrial Solutions Limited Magma Fincorp Limited	Independent Director Non Executive Director Independent Director Independent Director Independent Director Independent Director
9	Mr. R S Raghavan DIN 00260912	NIL	
10	Mr. K Balakrishnan DIN 00722447	NIL	
11	Dr. V Sumantran DIN 02153989	UCAL Fuel Systems Limited Rane Holdings Limited	Independent Director Independent Director
12	Mrs. Subhasri Sriram DIN 01998599	Take Solutions Limited	Whole-time Director

* Ceased to be a Director with effect from August 6, 2018.
# Ceased to be a Director with effect from January 31, 2019.
~ Ceased to be a Director with effect from May 6, 2019.

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 www.tvs-e.in. All Directors and Senior Management Personnel have confirmed compliance with the Code for the year ended March 31, 2019. 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:

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

Mr. D Sundaram – Non Executive Non Independent

Mr. M F Farooqui – Non Executive Independent

Mr. K Balakrishnan - Non Executive Independent

Dr. V Sumantran - Non Executive Independent

Mrs. Subhasri Sriram* – Non Executive Independent

* Appointed as a member by Board at its meeting held on May 11, 2019

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

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

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

Mr. Praveen Chakravarty, who was the Chairman of the Audit Committee resigned from the Company with effect from August 6, 2018.

The Audit Committee was reconstituted on August 9, 2018 and Mr. M Lakshminarayan was appointed as the Chairman of the Audit Committee. The Committee as on August 9, 2018 was as follows:

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

Mr. D Sundaram – Non Executive Non Independent

Dr. Nagendra Palle – Non Executive Independent

Mr. M F Farooqui – Non Executive Independent

The last Annual General Meeting (AGM) of the Company was held on August 9, 2018. As Mr. Praveen Chakravarty, Chairman of the Audit Committee resigned with effect from August 6, 2018, Mr. D. Sundaram, member of Audit Committee and Chairman of the Stakeholders Relationship Committee attended the AGM

Dr. Nagendra Palle – Non Executive Independent Director who was member of the Audit Committee resigned from the Company with effect from January 31, 2019.

The Board appointed Mr. K Balakrishnan and Dr. V Sumantran, Independent Directors as the members of the Audit committee on February 7, 2019, and the reconstituted Audit Committee as on February 7, 2019 was as follows;

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

Mr. D Sundaram – Non Executive Non Independent

Mr. M F Farooqui – Non Executive Independent

Mr. K Balakrishnan – Non Executive Independent

Dr. V Sumantran – Non Executive Independent

The Board appointed Mrs. Subhasri Sriram, Independent Director as a member of the Audit committee on May 11, 2019, and the reconstituted Audit Committee as on May 11, 2019 is as follows;

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

Mr. D Sundaram – Non Executive Non Independent

Mr. M F Farooqui – Non Executive Independent

Mr. K Balakrishnan – Non Executive Independent

Dr. V Sumantran – Non Executive Independent

Mrs. Subhasri Sriram – Non Executive Independent

The brief terms of reference are as under:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing, with the management, the quarterly and annual financial results and statements before submission to the Board for approval.
3. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor including Cost Auditors and the fixation of their fees.
4. Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
5. To review the functioning of the Whistle Blower and Vigil mechanism.
6. Approval or any subsequent modification of transactions of the Company with related parties.
7. Scrutiny of inter-corporate loans and investments
8. Evaluation of internal financial controls and risk management systems
9. Other matters as set out in Section 177 of the Companies Act, 2013 and the rules made thereunder and under Part C of Schedule II read with Regulation 18(3) of the SEBI (LODR) Regulations, 2015.
10. 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 of coming into force of this provision.*

*In terms of Schedule II Part C of amended SEBI (Listing Obligations and Disclosure Requiremnts) Regulations, 2015, one additional role included in the role of the ACM which has come into effect from April 1, 2019.

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 Chairman of the Audit Committee.

Four Audit Committee Meetings were held during the year respectively on May 11, 2018, August 9, 2018, November 2, 2018 and February 7, 2019. The gap between any two meetings did not exceed 120 days.

The Chief Executive Officer, Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors, Cost Auditors and such other executives, if any 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 2018-19 are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Mr. Praveen Chakravarty, Chairman #	Non-Executive Director-Independent	1	1
2	Dr. Nagendra Palle$	Non-Executive Director – Independent	3	2
3	Mr. D Sundaram	Non-Executive Director- Non-Independent	4	4
4	Mr. M Lakshminarayan	Non-Executive Director – Independent	4	3
5	Mr. M F Farooqui	Non-Executive Director – Independent	4	4
6	Mr. K Balakrishnan *	Non-Executive Director – Independent	NA	NA
7	Dr. V Sumantran *	Non-Executive Director – Independent	NA	NA
8.	Mrs. Subhasri Sriram %	Non-Executive Director – Independent	NA	NA

Ceased to be a Director with effect from August 6, 2018.

$ Ceased to be a Director with effect from January 31, 2019.

* Appointed as the member of the Committee with effect from February 7, 2019.

% Appointed as the member of the Committee with effect from May 11, 2019.

(4) Nomination and Remuneration Committee (NRC)

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

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

Mr. M Lakshminarayan – Non Executive Independent

Mr. K Balakrishnan – Non Executive Independent

Mrs. Subhasri Sriram – Non Executive Independent

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

As per the Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the members of the NRC shall be non-executive Directors. As Mrs. Srilalitha Gopal was appointed as Managing Director (Executive) and Mr. Praveen Chakravarty, resigned from the Company, the Company reconstituted the Committee on August 9, 2018.

Mr. Narayan K Seshadri who was the member of the Committee resigned from the Company with effect from May 6, 2019, and due his resignation the Committee was reconstituted at the Meeting held on May 11, 2019.

The following are members of the Committee ;

Mr. M F Farooqui - Non Executive Independent Director (Chairman)

Mr. M Lakshminarayan – Non Executive Independent Director

Mr. K Balakrishnan - Non Executive Independent Director

Mrs. Subhasri Sriram - Non Executive Independent Director

Brief terms of reference:

1) To identify persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment and / or removal to the Board of Directors of the Company.
2) To carry out the evaluation of every Director's performance.
3) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees.
4) To formulate the criteria of evaluation of Independent Directors and the Board.
5) To devise a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
6) To review and recommend remuneration of Managing Directors/ Whole time directors based on their performance and defined assessment criteria.
7) To administer, monitor, formulate the detailed terms and conditions of the Employees Stock Option Scheme and allot shares under the said ESOP Scheme to the employees / Directors of the Company, its subsidiaries and holding company.

8) Other matters as set out in Section 178 of the Companies Act, 2013 and the rules made thereunder and under Part D of Schedule II read with Regulation 19(4) of the SEBI(LODR) Regulations, 2015.
9) *Recommend to the Board, all remuneration, in whatever form, payable to senior Management.
10) In terms of Regulation 19 (3A) of SEBI Listing Regulations, the NRC shall meet at least once in a year.

* In terms of Schedule II Part D (A) of amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, one additional role included in the role of the NRC which has come into effect from April 1, 2019

The Nomination and Remuneration Committee met three times during the financial year 2018-19 on May 11, 2018, August 9, 2018, and February 7, 2019*.

*The original meeting was scheduled on November 1, 2018. The same was adjourned and held on February 7, 2019.

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	3	3
2.	Mrs. Srilalitha Gopal *	Executive Director	2	1
3	Mr. Praveen Chakravarty #	Non-Executive Director-Independent	1	-
4.	Mr. M Lakshminarayan	Non-Executive Director-Independent	3	2
5.	Mr. Narayan K Seshadri ~	Non-Executive Director- Non- Independent	3	2
6.	Mr. K Balakrishnan^	Non-Executive Director - Independent	NA	NA
7.	Mrs. Subhasri Sriram**	Non-Executive Director - Independent	NA	NA

* Ceased to be Non executive Director and stepped down from the Committee w.e.f. August 9, 2018
# Ceased to be a Director with effect from August 6, 2018.
~ Ceased to be a Director with effect from May 6, 2019.
^ Appointed as a member with effect from May 11, 2019.
** Appointed as a member with effect from May 11, 2019.

Policy on Remuneration and Selection Criteria

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

The Nomination and Remuneration Policy (NRC) was amended on February 7, 2019 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 www.tvs-e.in.

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 Meetings. The sitting fees shall be decided by the Board of Directors within the overall limits prescribed under the Companies Act, 2013.

(5) Remuneration to Directors

(a) Non – Executive Directors

During the year, 2018-19, the Company paid Sitting Fees of ₹ 25,000/- per meeting to its Non-Executive Directors for attending meetings of the Board and its Committees, which is within the limits prescribed under the Companies Act, 2013.

Details of sitting fees paid to Non executive Directors for the year ended March 31, 2019:

₹ in Lakhs

Name of the Director	Sitting fees	Total
Mr. Gopal Srinivasan	1.00	1.00
Mr. D Sundaram	3.00	3.00
Mr. Praveen Chakravarty$	0.25	0.25
Dr. Nagendra Palle^	1.00	1.00
Mr. M Lakshminarayan	2.50	2.50
Mr. M F Farooqui	3.00	3.00
Mr. Narayan K Seshadri~	1.25	1.25
Mr. R S Raghavan	1.25	1.25
Mr. K Balakrishnan %	1.00	1.00
Dr V Sumanthran %	0.50	0.50
Mrs. Subhasri Sriram &	0.25	0.25

$ Ceased to be Director with effect from August 6, 2018.
^ Ceased to be Director with effect from January 31, 2019.
% Appointed as Independent Director with effect from August 9, 2018.
& Appointed as Independent Director with effect from February 7, 2019.
~ Ceased to be Director with effect from May 6, 2019.

Note: Mrs Srilalitha Gopal was a Non Executive director and received Sitting fees of ₹ 0.75 lakhs prior to be appointed as Managing Director with effect from May 11, 2018.

Details of remuneration paid to executive Directors for the year ended March 31, 2019.

Name of the Director	Salary/ Perquisites, etc	Commission	Employees Stock options	Total
Mrs. Srilalitha Gopal	131.80	Nil	Nil	131.80

(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. NRC with effect from April 1, 2019 shall recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

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.

The Nomination and Remuneration Committee ensures that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

Evaluation

Board Evaluation and criteria

Pursuant to the provisions of Companies Act, 2013, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of all its Committees. 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 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 2018-19 and this has been in accordance with the NRC policy.

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

Policy on Board Diversity

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

(6) Stakeholders' Relationship Committee (SRC)

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

Mr. D Sundaram – Non Executive Non Independent Director – Chairman of the Committee

Mrs. Srilalitha Gopal –Executive Non Independent Director

Mr. K Balakrishnan* – Non Executive Independent director

Mr K Santosh^ – Compliance Officer

*Appointed as a member of SRC on February 7, 2019

^Appointed as a Compliance Officer on February 7, 2019

The Board of Directors has reconstituted the SRC on February 7, 2019 by appointing Mr. K Balakrishnan as a member of the Committee to strengthen the Committee and to make it in line with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders' Relationship Committee met Three times during the year on May 11, 2018, August 17, 2018, and November 1, 2018.

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. D Sundaram	Non-Executive Director- Non- Independent	3	3
2.	Mrs. Srilalitha Gopal	Executive Director- Non- Independent	3	3
3	Mr. K Balakrishnan*	Non-Executive Director-Independent	NA	NA

* Appointed as a member with effect from February 7, 2019

Complaints received and redressed during the financial year 2018-19:

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
Nil	12	12	Nil	Nil

S. No.	Nature of Complaint	No. of Complaints
1.	Non receipt of share certificates	1
2.	Non receipt of dividend warrants	3
3.	Non receipt of Annual Reports	2
4.	Other Complaints	6
Total		12

As on March 31, 2019 all the complaints received from the investors were redressed and no complaints were pending for redressal as on that date. 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 March 31, 2019.

Business and Technology Committee:

The Business and Technology Committee, as reconstituted on May 12, 2017 to review, evaluate, monitor and advise on Company's technological requirements based on emerging technologies and oversee the implementation of new IT initiatives and also to review the efficacy and safety of the existing Information technology systems etc, comprises of the following members.

The Committee did not meet during the year. At the meeting held on May 11, 2019 it was decided by the Board to dissolve the committee.

Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee consists of the following members:

Mr. M Lakshminarayan, Chairman – Non Executive Independent Director

Mr. D Sundaram, Member – Non Executive Non Independent Director

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

The CSR Committee met on November 1, 2018 and all the members were present at the meeting. The details of CSR Policy, initiatives and spending are spelt out in Directors report.

Risk Management

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

Meeting of Independent Directors

During the year, the Independent Directors met on November 1, 2018 and evaluated the performance of Non-Independent Directors, the Board as a whole and the Chairman of the Company considering the views of other Directors.

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

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

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

(7) General Body Meetings

a. Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2016	Narada Gana Sabha, No.314/254, TTK Road, Alwarpet, Chennai – 600 018	30.06.2016	10.30 AM
2017	Narada Gana Sabha, No.314/254, TTK Road, Alwarpet, Chennai – 600 018	30.06.2017	10.00 AM
2018	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road, T. Nagar, Chennai – 600 017	09.08.2018	10.00 AM

Extraordinary General Meeting

No Extraordinary General meeting was conducted during the year.

b. Postal Ballot

No Postal Ballot process was conducted during the year.

c. Special Resolutions

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

Year	Subject matter of Resolution	Date of AGM
2018-19	Appointment of Mrs. Srilalitha Gopal, Managing Director	August 9, 2018

b. None of the subjects placed before the shareholders in the 24th Annual General Meeting requires approval by a Postal Ballot

(8) Means of communications

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

The quarterly/annual financial results, shareholding pattern, official announcements etc., are sent to Stock Exchanges. The shareholders can access the same at www.nseindia.com and at www.bseindia.com and the Company's website at www.tvs-e.in.

The Company's website (www.tvs-e.in) contains a separate section "Investors" 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.

(9) General shareholder Information

a. Annual General Meeting –

Date	:	Saturday, August 10, 2019
Time	:	10.00 a.m.
Venue	:	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, T. Nagar, Chennai – 600 017

b. Financial Year : 1st April to 31st March

c. Financial reporting for the quarter ending for financial year ending March 31, 2020 (Tentative)

June 30, 2019	On or Before August 14, 2019
September 30, 2019	On or Before November 14, 2019
December 31, 2019	On or Before February 14, 2020
March 31, 2020	On or Before May 30, 2020
Annual General Meeting	Between June and September 2020

d. The Board of Directors at their meeting held on May 11, 2019 have recommended a dividend of ₹ 1.50 per Equity Share of face value of ₹ 10/- each for the financial year ended March 31, 2019

e. Record date for ascertaining shareholders eligible to cast their votes for the items set out in the notice convening the AGM through e-voting and dividend entitlement – August 3, 2019. The dividend will be paid on and from August 20, 2019

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 2019-20.

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 March 31, 2019 are given below:

Details of shares traded at NSE:

S. No.	Month	Price (in ₹)				No of shares traded
		Open	High	Low	Closing	
1	April, 2018	349.80	556.05	343.00	525.40	1,48,23,160
2	May, 2018	514.00	514.00	352.10	432.85	7,42,948
3	June, 2018	431.00	433.00	340.70	360.90	2,92,927
4	July, 2018	361.00	386.10	311.10	369.85	5,68,544
5	August, 2018	371.95	402.00	319.75	326.25	15,58,559
6	September, 2018	326.20	335.30	223.80	223.80	6,77,422
7	October, 2018	213.00	247.50	185.00	242.25	11,68,910
8	November, 2018	244.90	248.95	185.30	191.25	7,91,112
9	December, 2018	193.45	215.00	172.60	199.65	7,49,717
10	January, 2019	200.95	207.00	174.00	181.15	13,19,515
11	February, 2019	181.15	193.40	143.30	175.10	22,11,460
12	March, 2019	179.00	199.00	172.65	192.25	15,68,101
Total traded quantity during the financial year 2018-19						2,64,72,375

Details of shares traded at BSE:

S. No.	Month	Price (in ₹)				No of shares traded
		Open	High	Low	Closing	
1	April, 2018	341.70	557.00	341.10	524.65	24,81,903
2	May, 2018	519.95	519.95	353.00	437.15	2,45,440
3	June, 2018	440.00	444.92	328.00	362.80	87,660
4	July, 2018	360.00	387.35	312.00	368.85	2,04,955
5	August, 2018	372.00	401.75	320.10	327.40	3,50,298
6	September, 2018	330.00	338.00	223.80	223.80	1,30,480
7	October, 2018	212.65	248.35	184.85	241.95	2,30,285
8	November, 2018	246.00	246.00	186.00	191.40	1,63,836
9	December, 2018	200.95	222.00	174.00	199.00	1,32,866
10	January, 2019	201.95	218.60	172.45	181.40	2,79,325
11	February, 2019	183.00	193.00	143.00	174.70	3,49,899
12	March, 2019	176.85	199.05	172.90	192.40	2,95,119
Total traded quantity during the financial year 2018-19						51,82,977

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 (%)
2018-19	-43.85	16.93
2017-18	98.48	11.30
2016-17	66.99	16.88

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. Sundaram-Clayton Limited, (SCL) Chennai, with effect from October 11, 2004. SCL has registered itself with SEBI as share transfer agents in Category II to carry on the share registry work of group as well as associate companies with effect from April 21, 2004.

Share Transfer Agent
Sundaram-Clayton Limited
"Jayalakshmi Estates" I floor
29, Haddows Road
Chennai 600 006
Telephone Nos. 044 28272233 / 28307700
Fax No. 044 2825 7121
Email id :kr.raman@scl.co.in, sclshares@gmail.com
Time: 10.00 a.m. to 3.30 p.m. (Monday to Friday except holidays)

i. Distribution of equity shareholding as on March 31, 2019:

No. of shares held	No. of share Holders	% of share Holders	No. of shares held	% of share Holding
Upto 500	37,882	95.16	33,71,967	18.12
501 to 1000	1,144	2.96	9,00,552	4.84
1001 to 2000	400	1.04	6,09,255	3.27
2001 to 3000	140	0.36	3,53,969	1.90
3001 to 4000	54	0.14	1,92,074	1.03
4001 to 5000	43	0.11	2,01,201	1.08
5001 to 10000	58	0.15	4,17,614	2.24
10001 and above	30	0.08	1,25,66,186	67.51
Total	38,607	100.00	1,86,12,818	100.00

j. **Pattern of equity shareholding as on March 31, 2019**

The detailed report on the shareholding pattern of the company as on March 31, 2019 is presented in Part IV of MGT-9 enclosed to the Board's Report as Annexure B.

No. of shares held	No. of share Holders	% of share Holders	No. of shares held
Promoter Company	1,11,60,093	59.96	1
Directors & Relatives	5,30,400	2.85	4
Corporate Bodies – Promoter Group	7,80,463	4.20	313
Nationalised Banks/MF/ UTI/PFI	41,538	0.22	14
Resident Individuals	58,05,633	31.19	37,385
Foreign Institutional Investors	100	0.00	1
Foreign Portfolio Investors (Corporate)	-	-	-
Non-Resident Indians/Overseas Corporate Bodies	2,94,591	1.58	889
Total	1,86,12,818	100.00	38,607

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 March 31, 2019, is given below:

Mode of Holding	Percentage	No. of shareholders	No. of Shares
Demat	95.26	34,866	1,77,31,263
Physical	4.74	3,741	8,81,555
Total	100.00	38,607	1,86,12,818

- 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

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

Uttarkhand
No. E12, Selaqui Industrial Estate,
Selaqui, Dehradun, Uttarkhand

Chennai
Valluvarkottam Tower-1,Bascon Maeru Towers
Kodambakkam High Road, Chennai – 600 034

Tumkur
Panditanahalli, Hirehalli Post,
Tumkur District,Karnataka

m. **Address for Investor's Correspondence:**

Sundaram-Clayton Limited
Share Transfer Agent
Unit: TVS Electronics Limited
"Jayalakshmi Estates" I floor
29, Haddows Road
Chennai 600 006
Telephone Nos. 044 28272233 / 28307700
Fax No. 044 2825 7121
Email id: kr.raman@scl.co.in, sclshares@gmail.com
investorscomplaintssta@scl.co.in

Designated e-mail address for investor services: investorservices@tvs-e.in
Compliance Officer: Mr. K Santosh
E-Mail id: k.santosh@tvs-e.in

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

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

p. Unclaimed Shares:

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

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

Details	No. of shareholders / No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	627 shareholders for 90,932 shares
Number of shareholders who approached the Company for transfer of shares from suspense account during the year;	10 shareholders for 1,200 shares
Number of shareholders to whom shares were transferred from suspense account during the year;	10 shareholders for 1,200 shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	617 shareholders for 89,732 shares
Voting rights	The voting rights of such shares shall remain frozen till the rightful owner claims the shares

q. Request to Investors

- Investors holding shares in physical mode are requested to communicate change of address, bank account details, dematerialisation request, etc., if any, directly to the Registered Office or the Share Transfer Agent (STA) of the Company.
- Investors holding shares in electronic form are requested to deal only with their Depository Participant (DP) in respect of change of address, bank account details, etc.
- Dematerialise your Physical Shares to Electronic Form and eliminate all risks associated with holding physical share certificates. It also provides ease in Portfolio Management. Further, in terms of SEBI notification dated June 8, 2018, the Company will not be in a position to entertain the request for registration of physical transfer of shares on or after March 31, 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. For members who have not registered their email address with the Company / Depository Participants, hard copy of the annual report is being sent. The Company will send a hard copy of the full Annual Report, if requested by the Members. 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.
- Investors who have not availed nomination facility are requested to kindly fill in the nomination form and submit the same to the Company/Share Transfer Agent or the DP along with the requisite proof of nomination.

(10) 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 notes 33 to the Financial Statements.

The Board has amended policy for related party transactions to make it in line with the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is available on the Company's website in the following web link https://www.tvs-e.in/pdf/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 Chairman 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 www.tvs-e.in. All the mandatory requirements specified under Regulation 22 of the SEBI (LODR) Regulations, 2015 have been complied with.

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

Number of complaints received in the year: Nil

Number of complaints disposed off during the year: NA

Number of cases pending for more than 90 days: Nil

Number of Workshop or awareness Program: Two Programs conducted during the year in review on 25.08.2018 and 22.01.2019.

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

Corporate Governance requirement with respect to subsidiary

1. M/s. Benani Foods Pvt Ltd was subsidiary of the Company by holding 54.41% stake. The Subsidiary was not a material subsidiary.
2. The Company vide share purchase agreement dated March 22, 2019 sold its entire shareholding in M/s. Benani Foods Pvt Ltd, subsidiary to M/s. Waycool Foods and Products Pvt Ltd. The same was intimated to the stock exchanges (NSE and BSE).
3. The Company do not have any other subsidiary as on March 31, 2019.
4. As per the provisions of IND AS 110, the consolidation of an investee shall begin from the date the investor obtains control of the investee and cease when the investor loses control of the investee. As per the above, the Company has disposed the investment in subsidiary during the reporting period vide Share Purchase Agreement dated March 22, 2019 and it is required to consolidate such subsidiary until the date it loses the control of such subsidiary during the reporting period. Hence, the Company has consolidated the Financials.
5. The Audit committee had reviewed the financial statements and in particular, the investments made by the subsidiary.
6. The management of the subsidiary had periodically presented a statement of all significant transaction to the Board of Directors of the Company.

Though the Company is not having any material subsidiary, the company has evolved a policy there for determining 'material' subsidiaries on the Company's website in the following web link https://www.tvs-e.in/pdf/TVSE_MaterialSubsidiary.pdf

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

Compliance Certificate from Practicing Company Secretary

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

Secretarial Compliance Certificate from Secretarial Auditor

Secretarial Audit Report given by M/s. S A E & Associates LLP, Chennai, Practicing Company Secretaries forms part of this Annual Report.

Fees paid to Statutory Auditor on a consolidated basis:

During the year, the Company has paid ₹ 26 Lakhs to the statutory Auditors for all services received by the listed entity and its subsidiaries, on a consolidated basis

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.

During the year under review Mr Prakash Katama was eligible for 150,000 options as on March 31, 2018, subject to approval of Nomination and Remuneration committee (NRC) and remaining 150,000 options on March 31, 2020. Subsequent to his resignation with effect from September 30, 2018, 150,000 options to be granted on March 31, 2020 lapsed.

As per ESOP Scheme, NRC at their adjourned meeting held on February 7, 2019 which was originally scheduled on November 1, 2018 evaluated the performance of Mr Prakash Katama (The Grantee) and approved 37,500 shares which Mr. Prakash Katama shall be eligible to exercise out of the maximum vesting limit of 150,000.

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

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.
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)

Disclosure of all list of credit ratings obtained:

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

Compliance with mandatory / non-mandatory requirements:

The Company has complied with all applicable mandatory requirements in terms of the Listing Regulations and this report. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed in this Report.

Instances of Non compliance , if any:

There was no instances of non-compliance by the company except the following;

Regulation 17(1)(b)

Compliance requirement: The Non executive Chairman of the Company is related to the promoter of the company so atleast one-half of the board of directors of the Company should consist of independent directors.

The Company had only 4 Independent Directors out of 9 Directors from the beginning of the financial year till August 8, 2018. However the Company has appointed 2 Independent directors on 9th August 2018, thereby raising the count of Independent directors on the board to 50%.

The company has complied with the Corporate Governance Requirements under Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 expect Regulation 17(1)(b) as mentioned above.

Other corporate governance requirements:

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

The Board:

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

Shareholder's rights

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

Auditors Report

The Auditors report is unqualified.

Separate posts of Chairman and CEO/ Managing Director.

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

During the year under review Mrs. Srilalitha Gopal, who was one of the non-executive non independent director has been appointed as the Managing Director with effect from May 11, 2018 and Mr. Prakash Katama who was Chief Executive officer resigned from the Company with effect from September 30, 2018.

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

Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

Certificate regarding compliance of conditions of corporate governance

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

To
The Members of TVS Electronics Limited [CIN: L30007TN1995PLC032941]
249-A, Ambujammal Street, Alwarpet,
Chennai – 600018

We have examined the compliance of the conditions of Corporate Governance by M/s. TVS Electronics Limited ("the Company"/ "the listed entity") during the financial year ended 31st March 2019 ("the financial year"/ "the year"), as stipulated under regulation numbers 17 to 27, 46(2)(b) to (i), Schedule V (paragraphs C, D and E) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

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

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

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

We hereby certify that, in our opinion and to the best of our information and based on the records furnished for our verification and the explanations given to us by the Company, its officers and agents, the Company has, during the financial year ended March 31, 2019, complied with the conditions of Corporate Governance covered under the above referred regulations of LODR, except for the following:

1. Regulation 17(1)(b) of LODR – Board composition

   Since the non-executive Chairman of the Company is related to the promoter, atleast one-half of the Board of directors of the Company should consist of Independent Directors. During the year, 2 (two) independent directors resigned and 3 (three) new independent directors were appointed. The Board composition was:

   (a) Short by 1 (one) independent director from April 1, 2018 to 8th August 2018; and

   (b) Short by 1 (one) independent director from January 31, 2019 to February 6, 2019. This was however within the period of three months allowed under Regulation 25(6) to fill up the vacancy created by the resignation of an Independent Director.

2. Regulation 17(5)(b) of LODR – Code of Conduct

   The Code of Conduct has to suitably incorporate the duties of the Independent Directors as laid down in Schedule IV to the Companies Act, 2013 (the Act). The Code of Conduct adopted by the Company does not specifically incorporate the duties set out in Schedule IV. However, it states that "the Directors shall comply with applicable laws, regulations and guidelines". We were informed that the Company will take steps to suitably modify the Code of Conduct to specify the Duties of Independent Directors as laid down in Schedule IV to the Act.

3. Regulation 17(10) of LODR-Evaluation of Independent Directors

   The evaluation of the Independent Directors, including their performance and fulfillment of independence criteria specified in LODR, has to be done by the entire Board of Directors of the Company, once a year. This subject does not appear either in the Agenda or in the Minutes of the Board meetings held during the year.

4. Regulation 18(1)(d) of LODR-Presence of Audit Committee Chairman at AGM

   The Chairperson of the Audit Committee is required to be present at the Annual General Meeting to answer shareholder queries. Mr. Praveen Chakravarthy, Chairman of the Audit Committee, was not present at the 23rd Annual General Meeting of the members held on 9th August, 2018 (AGM). However, Mr. D Sundaram, a Member of the Audit Committee, was available at the AGM venue to answer the shareholders' queries.

5. Regulation 18(3) of LODR –Review of information by the Audit Committee

   The Audit Committee has to mandatorily review the management discussion and analysis of financial condition. Accordingly the Audit Committee meeting held on May 11, 2018 should have reviewed the Management Discussion and Analysis report in respect of the financial year ended March 31, 2018. However this subject does not appear either in the Agenda or Minutes of the said Audit Committee meeting.

6. Regulation 19(1) of LODR-Composition of Nomination and Remuneration Committee

   All directors on the Nomination and Remuneration Committee (NRC) should be non–executive directors. However, Mrs. Srilalitha Gopal, who was appointed as member of NRC when she was a non-executive director, continued to be on the NRC upto 8th August 2018, even though she was appointed as the Managing Director from May 11, 2018. NSE and BSE had served show-cause notices on the Company in this regard and had also levied fines for the same. The Company reconstituted the NRC with effect from August, 9, 2018 to comprise of only non-executive directors and communicated the same to NSE and BSE who have since waived the fine.

7. Regulation 24(3) of LODR- Unlisted subsidiary

   Minutes of meeting of the Board of Directors of the unlisted subsidiary has to be placed at the meeting of the Board of Directors of the listed entity. However, the minutes of meetings of the Board of Directors of the unlisted subsidiary M/s. Benani Foods Private Limited were not placed for noting at the meetings of the Board of Directors of the Company held during the year. The Company has sold of its entire shareholding in M/s. Benani Foods Private Limited on March 22, 2019.

8. Regulation 25(4) of LODR- Meeting of Independent Directors

   The Independent Director at their meeting held in terms of Regulation 25(3) on 1st November 2018, should have, inter alia, transacted certain mandatory items of business specified in Regulation 25(4). Though agenda for the said meeting listed the mandatory items, we are unable to verify whether the said items were transacted in view of the non-availability of the minutes of the meeting.

9. Regulation 25(6) of LODR- Filling up vacancy in Independent Directors

   An independent director who resigns from the Board of directors has to be replaced by a new independent director not later than the immediate next meeting of the Board of directors or three months from the date of such vacancy, whichever is later. The Company should have appointed a new Independent Director on or before February 8, 2018 in the place of Mr. Kenneth Tai, who resigned with effect from November 9, 2017. However, the said vacancy was filled-up only on August 9, 2018.

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

For S KRISHNAMURTHY & CO.
Company Secretaries

K. SRIRAM
Partner
Membership No: F6312
Certificate of Practice No: 2215

Place: Chennai
Date: May 11, 2019

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,
TVS Electronics Limited
249-A, Ambujammal Street,
Off TTK Road Alwarpet, Chennai TN 600018

Based on the:

(i) disclosures in from DIR-8 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 TN 600018. (hereinafter referred to as 'the Company'), produced before us 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;

(ii) verification of the Directors Identification Number (DIN) status in the portal www.mca.gov.in;

(iii) list of entities debarred by SEBI as published by NSE in their weblink https://www.nseindia.com/content/press/prs_ra_sebi.xls,

In our opinion and to the best of our information 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 as on the Financial Year ended March 31, 2019 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	Sundaram Damodarannair	00016304	30/07/2009
2	Muthuswami Lakshminarayan	00064750	06/05/2015
3	Gopal Srinivasan	00177699	18/07/2003
4	Rajagopalan Sundara Raghavan	00260912	04/05/2016
5	Balakrishnan Kavikkal	00722447	09/08/2018
6	Farooqui Fayazuddin Mohammed	01910054	06/05/2015
7	Subhasri Sriram	01998599	07/02/2019
8	Venkataramani Sumantran	02153989	09/08/2018
9	Srilalitha Gopal	02329790	10/11/2011
10	Narayan Keelveedhi Seshadri	00053563	06/05/ 2015

Ensuring the eligibility 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 S.A.E & ASSOCIATES LLP
Company Secretaries

ADIT N BHUVA,
Partner
ACS: 29660; CP.No. 10999

Place: Chennai
Date : June 28, 2019

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, 2019.

SRILALITHA GOPAL
Managing Director
DIN: 02329790

Place: Chennai
Date: May 11, 2019

Independent Auditor's Report

To The Members of TVS Electronics Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of TVS Electronics Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone 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 standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	Impairment assessment of indefinite useful life intangible assets Intangible assets pertains to Business Rights that have been recognized pursuant of acquisition of Service Tec business in earlier years. 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:	Principal Audit Procedures We assessed the company's impairment testing process of the Service Tec business at the balance sheet date. Our audit approach consisted procedures for testing the design, implementation and the operative effectiveness of the internal controls and substantive procedures as follows:

Sr. No.	Key Audit Matter	Auditor's Response
	>> Revenue growth >> Operating margins >> Discount rate >> Terminal growth rate Accordingly, the impairment test of this business rights are considered as a key audit matter. Refer to Notes 1.b.7 and 3.1 to the financial statements	• Evaluated the design and implementation of internal controls relating to managements impairment assessment testing of the Service tec business • Tested the operative effectiveness of internal control relating to managements impairment assessment testing of the Service tec business 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. • Evaluated the reasonableness of customer wise revenue projections with reference to prospective business orders, historical performance and macro-economic 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 new business. We engaged our internal specialists to assist with: • Critically evaluating whether the model used by management to calculate the value in use of the Cash Generating Units complies with the requirements of Ind AS 36 Impairment of Assets. • Validating the assumptions used to calculate the discount rates, terminal growth rate and recalculating these rates based on industry specific risks and risk free return.

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, Secretarial Audit Report and Corporate Governance Report (but does not include the standalone 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 and the Managing Directors Message, which is expected to be made available to us after that date.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 and the Managing Directors Message, 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 Standalone 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 standalone 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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 books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS/ Accounting Standards specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 standalone financial statements,

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

BHAVANI BALASUBRAMANIAN
Partner
(Membership No.22156)

Place: Chennai,
Date: May 11, 2019

Annexure “A” to the Independent Auditor’s Report

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

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

We have audited the internal financial controls over financial reporting of TVS Electronics Limited (“the Company”) as of March 31, 2019, in conjunction with our audit of the standalone 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 the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

BHAVANI BALASUBRAMANIAN
Partner
(Membership No.22156)

Place: Chennai,
Date: May 11, 2019

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) The Company has maintained proper records showing full particulars, including quantitative details and situation of the property, plant and equipment.

(b) Some of the property, plant and equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed (state any other relevant document which evidences title) provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

(ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on such verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of machinery and mechanical appliances. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub- section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Excise Duty and sales tax/value added tax which have not been deposited as on March 31, 2019 on account of disputes are given below.

Name of Statue	Nature of Dues	Forum where the dispute is pending	Period to which amount relates	Amount Unpaid (₹ In Lakhs)
Income Tax Act, 1961	Income tax dues	Income Tax Appellate Tribunal / CIT (Appeals), Income Tax officer	Various Assessment years between 2004-05 to 2016-17	64
Central Sales Tax/ Value added tax of various states	Sales tax dues	Appellate authorities of various states	2007-08 to 2015-16	120 (Net of ₹ 4 deposited)

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

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

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

BHAVANI BALASUBRAMANIAN
Partner
(Membership No.22156)

Place: Chennai,
Date: May 11, 2019

Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

S. No.	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
A	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	2	1,108	906
	(b) Capital Work in Progress	2	37	11
	(c) Intangible Assets	3	1,923	1,881
	(d) Financial Assets			
	(i) Investments			
	a) Investments in subsidiaries	4	-	378
	b) Other Investments	5	57	145
	(ii) Other financial assets	6	310	265
	(e) Deferred tax assets (Net)	7	-	171
	(f) Non Current tax assets (Net)	13	402	445
	(g) Other Non current assets	8	2,617	2,704
	Total non-current assets		6,454	6,906
	Current Assets			
	(a) Inventories	9	3,161	48,521
	(b) Financial Assets			
	(i) Other Investments	5	1,506	-
	(ii) Trade Receivables	10	2,563	40,074
	(iii) Cash and Cash Equivalents	11	317	3,225
	(iv) Bank balances other than (iii) above	12	512	674
	(v) Other Financial assets	6	984	634
	(c) Other Current Assets	8	975	3,570
	Total current assets		10,018	96,698
	TOTAL ASSETS		16,472	103,604
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	14	1,861	1,861
	(b) Other Equity	15	6,837	6,496
	Total equity		8,698	8,357
	Liabilities			
	Non-Current Liabilities			
	(a) Provisions	16	217	294
	(b) Deferred tax liabilities (Net)	7	127	-
	(c) Other non-current liabilities	17	46	32
	Total non-current liabilities		390	326
	Current Liabilities			
	(a) Financial Liabilities			
	i. Borrowings	18	-	329
	ii. Trade Payables	19		
	-Total outstanding dues of micro enterprises and small enterprises		191	52
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		5,596	93,358
	iii. Other financial Liabilities	20	493	272
	(b) Provisions	16	628	545
	(c) Other Current Liabilities	17	476	365
	Total current liabilities		7,384	94,921
	Total Liabilities		7,774	95,247
	TOTAL EQUITY AND LIABILITIES		16,472	103,604

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Statement of Profit and Loss
for the year ended March 31, 2019

(₹ in Lakhs)

S. No.	Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenues from Operations	21	275,684	410,890
II	Other Income	22	373	220
III	Total Income (I+II)		276,057	411,110
IV	Expenses:			
	Cost of materials consumed	23	6,740	6,195
	Purchases of Stock-in-Trade	24	209,617	424,545
	Changes in Inventories of finished goods and stock in trade	25	45,774	(32,995)
	Excise duty on sale of goods		-	144
	Employee benefits expense	26	3,610	3,178
	Finance costs	27	41	142
	Depreciation and amortisation expense	28	368	446
	Other expenses	29	8,127	7,379
	Total Expenses (IV)		274,277	409,034
V	Profit before tax & Exceptional Items (III-IV)		1,780	2,076
VI	Exceptional Items (Refer note 4.1)		(358)	369
VII	Profit before tax (V+VI)		1,422	2,445
VIII	Tax Expense:			
	(1) Current Tax	34	690	550
	(2) Deferred Tax	7	(14)	271
	(3) Tax relating to earlier years	34	2	-
			678	821
IX	Profit for the year (VII-VIII)		744	1,624
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(3)	(34)
	b) Equity instruments through other comprehensive income		10	-
			7	(34)
	ii) Income tax relating to items that will not be reclassfied to profit or loss		(1)	12
X	Total other comprehensive income (A(i-ii))		6	(22)
XI	Total Comprehensive Income (IX+X)		750	1,602
XII	Earnings Per Equity Share (Nominal value per share ₹ 10)			
	(a) Basic	30	4.00	8.73
	(b) Diluted	30	3.99	8.63

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
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Managing Director

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Cash Flow

for the year ended March 31, 2019

(₹ in Lakhs)

S. No.	Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
A.	Cash flow from operating activities				
	Net profit after tax		744		1,624
	Adjustments for :				
	Depreciation and Amortisation	368		446	
	Tax provisions	678		821	
	Finance costs	41		142	
	Provision for impairment in value of other investments	97		72	
	Loss on sale of investment in subsidiary	358		-	
	(Profit) / loss on sale of Property, Plant and equipment	(10)		(610)	
	Net (Gain)/loss arising on FVTPL Transaction	(58)		(54)	
	Profit on sale of Investment	(1)		(1)	
	Interest Income	(212)		(121)	
	Employee stock option expense	(72)		81	
	Share of cost for investment in TVS Shriram Growth Fund 1A	-		115	
	Bad debts written off and provision for doubtful debts	40		27	
	Loss on Property, Plant and equipment sold / scrapped	16	1,245	40	958
	Operating profit before working capital changes		1,989		2,582
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets				
	Trade and other receivables	37,471		(27,392)	
	Inventories	45,360		(33,210)	
	Other Assets	2,580		(2,507)	
	Other Financial Assets	(387)		(140)	
	Adjustments for increase/(decrease) in operating liabilities				
	Trade payables	(87,623)		64,972	
	Other Liabilities	131		148	
	Other Financial Liabilities	223		(106)	
			(2,245)		1,765
	Cash generated from operations		(256)		4,347
	Direct taxes paid net of refund		(343)		(394)
	Net cash flow (used) / from operating activities		(599)		3,953
B.	Cash flow from investing activities				
	Purchase of Property, plant and equipment including capital advances	(586)		(345)	
	Proceeds from sale of Property, plant and equipment	44		792	
	Bank balances considered as other than cash and cash equivalents	162		(674)	
	Cash inflow on disposal of subsidiary	146		-	
	Cash outflow on acquisition of subsidiary	(95)		(175)	
	Cash outflow on acquisition of other investments	(1,475)		322	
	Interest received	204		96	
	Net cash flow (used) / from in investing activities		(1,600)		16

(₹ in Lakhs)

S. No.	Particulars	For the Year ended 31 March 31, 2019		For the Year ended March 31, 2018	
C.	Cash flow from financing activities				
	Proceeds from issue of equity shares	-		-	
	Repayment of Long term borrowings	-		(188)	
	Net decrease in Short term borrowings	(329)		(1,620)	
	Finance costs	(43)		(157)	
	Dividends paid Including Dividend Tax	(337)		(112)	
	Net cash flow used in financing activities		(709)		(2,077)
	Net increase in cash and cash equivalents (A+B+C)		(2,908)		1,892
	Reconciliation				
	Cash and cash equivalents as at beginning of the Year		3,225		1,333
	Cash and cash equivalents as at end of the Year		317		3,225
	Net increase in cash and cash equivalents		(2,908)		1,892

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

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Managing Director

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Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Statement of Changes in Equity

for the period ended March 31, 2019

Particulars	Share Capital	Securities premium	Capital Reserve	General reserve	ESOP Reserve	Investment Subsidy	Retained earnings	Equity Instruments through Other comprehensive Income	Actuarial Gain / (Loss)	Total
					Reserves and Surplus			Items of other comprehensive income		
Balance at April 1, 2017	1,861	1,492	61	309	120	-	2,981	(10)	(28)	6,786
Movement during 2017-18										-
Profit for the year	-	-	-	-	-	-	1,624	-	-	1,624
Recognition of share based payments	-	-	-	-	81	-	-	-	-	81
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(22)	(22)
Payment of dividends (Including taxes)	-	-	-	-	-	-	(112)	-	-	(112)
Balance at March 31, 2018	1,861	1,492	61	309	201	-	4,493	(10)	(50)	8,357
Movement during 2018-19										
Profit for the year	-	-	-	-	-	-	744	-	-	744
Adjustment during the year (Refer note 15)	-	-	-	-	(72)	-	-	-	-	(72)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	8	(2)	6
Movement within reserves (Refer note 15)	-	-	-	96	(96)	-	-	-	-	-
Payment of dividends (Including taxes)	-	-	-	-	-	-	(337)	-	-	(337)
Balance at March 31, 2019	1,861	1,492	61	405	33	-	4,900	(2)	(52)	8,698

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

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 - 600 020

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

b) Significant Accounting Policies

1) Statement of compliance

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

2) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

The principal accounting policies are set out below.

3) Critical accounting judgements and key sources of estimation and certainity

a) Use of estimates

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

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

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

b) Significant Estimates and judgements

The areas involving critical estimates or judgments are:

i) Fair valuation measurement & valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

ii) Actuarial Valuation

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

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

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

iv) Revenue Recognition

- The Company's contracts with customers could include promises to render multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves Judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also applied to determine the principal and agent in the contracts with customers based on the substance of the arrangement read with the guidance provided in the standard.

- The Company uses judgement to determine standalone selling price of a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

c) Control over Benani Foods Private Limited

Benani Foods Private Limited was considered as a subsidiary of the Company(until March 22, 2019), even though the company had less than 50% ownership till July 20, 2018 (41% as on March 31, 2018). The Directors of the Company assessed whether the Company had control over Benani Foods Private Limited based on whether the Company had the practical ability to direct the relavant activities of Benani Foods Private Limited. In making the judgment, the directors considered the Company's absolute size of holding in Benani Foods Private Limited and other relative size of and dispersion of the share holdings owned by the other shareholders. After assessment, the directors concluded that the Company has a sufficiently dominant voting interest to direct the relavant activities of Benani Foods Private Limited and therefore the Company had Control over Benani Foods Private Limited.

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.

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 seperate performance obligation within the definition of the standard and the transaction price is allocated between the performance obligations proportionate to the standalone selling prices of the components.

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

Extended Warranty Service

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

Practical expedient - Contract modification

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

The impact of applying Ind AS 115 Revenue from contracts with customers instead of applying erstwhile Ind AS 18 Revenue is insignificant.

5) Property, Plant and Equipment

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

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

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

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

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.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

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

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

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

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

10) Taxes on income

Tax expense comprises of current and deferred taxes.

Current tax:

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

Deferred Tax:

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

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

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

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

Current and deferred tax for the year:

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

11) Provisions and contingent liabilities

(i) Provision:

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

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainities 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 relavant products, at management's best estimate of expenditure required to settle the company's obligation.

(ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability.

12) Operating Segment

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

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

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

14) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Under the previous GAAP, share based payment costs were accrued on a intrinsic value method. Upon transition to Ind AS, the company has availed the exemption to apply the fair value to only unvested options.

15) Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

15.1 Financial assets

Initial recognition and measurement:

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in subsidiaries / associates are accounted at cost.

All other financial assets are subsequently measured at fair value.

For the impairment policy on financial assets measured at amortized cost, refer Note 1(b)(15)(d)

b. Investment in equity instruments at FVTOCI

On initial recognition, company can make an irrevocable election(on a instrument by instrument basis) to present the subsequent change in fair value in other comprehensive income pertaining to investment in equity instruments. This election is not permitted if the equity instrument is held for trading. These elected investment are initially measured at fair value plus transaction cost. Subsequently, they are measured at fair value with gains and losses arising from change in fair value recognised in other comprehensive income and accumulated in 'Reserve for equity instruments through other comprehensive income'. The cumulative gain / (loss) is not reclassified to profit or loss on disposal of investment.

A financial asset is held for trading if :

> it has been acquired principally for the purpose of selling it in near term; or

> on initial recognition it is part of portfolio of identified financial instrument that the company manages together and has recent actual pattern of short term profit making or

> it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The company has equity investments in one entity which are not held for trading nor a subsidiary. The company has elected FVTOCI irrevocable option for this investments. Fair value is determined in the manner described in note 1(b)(2).

Dividends on these investment in equity instrument, if any will be recognised in profit or loss when the company's right to receive the dividend is established, it is probable that economic benefit associated with the dividend will flow to the entity, the dividend does not represent a recover of part of cost of investment and the amount of dividend can be measured reliably.

c. Financial assets at fair value through profit or loss (FVTPL)

Financial assets that do not meet the amortised cost criteria or Fair value through other comprehensive income (FVTOCI) criteria are measured at FVTPL Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the “Other income” line item.

d. Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

e. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

> For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

15.2 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

c.1. Financial liabilities at FVTPL

Financial liabilities are recognised at fair value through profit or loss (FVTPL) if it includes derivative liabilities.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the ‘Other income' line item.

Fair value is determined in the manner described in note 1(b)(2)

c.2. Financial liabilities measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

c.3. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in ‘Other income’.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

c.4. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

15.3 Derivative financial instruments

The Company enters into forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

16) Foreign Currency Transactions

The functional and presentation currency of the company is Indian Rupee.

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

17) Operating cycle for current and non-current classification

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

18) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

19) Standards issued but not yet effective

(i) Ind AS 12 - "Income Taxes"

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (""MCA"") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

(ii) Ind AS 19 - "Employee Benefits"

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(iii) Ind AS 116 - "Leases"

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company will adopt the standard with effect from April 1, 2019 and the effect of adoption is not expected to be significant.

2. Property, Plant and Equipment and Capital Work-in-progress

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Freehold land	24	24
Buildings	358	310
Plant and equipment	350	316
Furniture and Fixtures	114	78
Office Equipments	232	144
Vehicles	30	34
Total	1,108	906
Capital Work-in-progress	37	11

	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments (Including computers & servers)	Vehicles	Total
Cost of Assets							
Gross carrying value at March 31, 2017	24	1,152	2,086	316	884	27	4,489
Additions	-	25	49	32	81	37	224
Disposals	-	(193)	(340)	(56)	(53)	(26)	(668)
Balance at March 31, 2018	24	984	1,795	292	912	38	4,045
Additions	-	155	138	94	202	-	589
Disposals	-	(86)	(38)	(39)	(41)	-	(204)
Balance at March 31, 2019	24	1,053	1,895	347	1,073	38	4,430

	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments (Including computers & servers)	Vehicles	Total
Accumulated depreciation and impairment							
Gross carrying value at March 31, 2017	-	630	1,639	218	710	3	3,200
Eliminated on disposals	-	(61)	(280)	(51)	(51)	(3)	(446)
Depreciation expense	-	105	120	47	109	4	385
Balance at March 31, 2018	-	674	1,479	214	768	4	3,139
Eliminated on disposals	-	(50)	(31)	(35)	(38)	-	(154)
Depreciation expense	-	71	97	54	111	4	337
Balance at March 31, 2019	-	695	1,545	233	841	8	3,322
Carrying amount as on March 31, 2018	24	310	316	78	144	34	906
Carrying amount as on March 31, 2019	24	358	350	114	232	30	1,108

3. Intangible Assets

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Intellectual Property Rights	-	-
Business Rights	1,868	1,868
Software and Licenses	55	13
Total	1,923	1,881

Cost of Asset

Amount (₹ in Lakhs)

Particulars	Intellectual Property Rights	Business Rights (Refer note 1)	Software and Licences
Gross value as on April 01, 2017	800	3,263	214
Additions	-	-	16
Disposals	-	-	-
Gross value as on March 31, 2018	800	3,263	230
Additions	-	-	73
Disposals	-	-	-
Balance at March 31, 2019	800	3,263	303

Accumulated depreciation and impairment

Particulars	Intellectual Property Rights	Business Rights	Software and Licences
Balance at April 01, 2017	760	1,395	196
Eliminated on disposals	-	-	-
Depreciation expense	40	-	21
Balance at March 31, 2018	800	1,395	217
Eliminated on disposals	-	-	-
Depreciation expense	-	-	31
Balance at 31-Mar-2019	800	1,395	248
Carrying amount as on March 31, 2018	-	1,868	13
Carrying amount as on March 31, 2019	-	1,868	55

Note:

1) Business Rights relating to Technical Services business, with carrying value of ₹ 1,868 Lakhs has been considered as having an indefinite useful life as there are no technical, technological obsolence or limitations under the contract. This Business Right has been tested for impairment using the Discounted Cashflow method. Based on the valuation there was no impairment required to be recorded on the reporting date.

2) Amortization expense of intangible asset have been included under 'Depreciation & amortization' expense in statement of profit and loss account.

4. Investments in Subsidiaries

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
I. Unquoted Investments		
(a) Investments in equity shares at Cost		
Nil (2018-9,610) Equity shares of shares of ₹10 each fully paid up in Benani Foods Private Limited (Refer Note no 4.1 below)	-	450
Less: Provision for Impairment		(72)
Total Unquoted Investments	-	378
Total Non-Current Investments	-	378

4.1. The Board, at its meeting held on November 02, 2018, decided to dispose off the entire investment in subsidiary M/s Benani Foods Private Limited. Loss on sale of this investment amounting to ₹ 358 Lakhs has been disclosed as an "Exceptional Item" in the statement of Profit & Loss.

5. Other Investments

Amount (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
I. Unquoted Investments		
(a) Investments in Equity Instruments at FVTOCI		
6,00,000(2018 - 6,00,000) shares of ₹ 10 each fully paid up in TVS Training and Services Limited.	57	48
Other Investments		
(b) Investments in Mutual Funds at FVTPL		
5,173 (2018- 8,603.03) units of Capital contribution to TVS Shriram Growth Fund 1A	-	97
Total Unquoted Investments - Non current	57	145
II. Quoted Investments		
(a) Investment in IDFC Mutual Funds	1,506	-
66,443 (2018 - Nil) units of IDFC Cash Fund - Growth at NAV of ₹2,267 per unit		
Cost of Investment - ₹ 1,475 Lakhs		
Total Quoted Investments - Current	1,506	-
Total Investments	1,563	145
Current	1,506	-
Non-current	57	145

6. Other Financial Assets

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good				
At Amortised Cost				
a) Security Deposits	247	215	101	121
(b) Interest receivable	-	-	33	25
(c) Unbilled revenue	-	-	811	478
(d) Insurance claims	-	-	7	-
(e) Others	63	50	32	10
	310	265	984	634

7. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	146	421
Deferred tax liabilities	(273)	(250)
	(127)	171

(₹ in Lakhs)

2018-19	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	(250)	(23)	-	(273)
Provision for Doubtful Debts and others	23	4		27
Financial assets at FVTPL	2	13		15
Financial assets at FVTOCI	3		(3)	0
Defined benefit obligation, Provision for compensated absences	39	20	2	61
Total	(183)	14	(1)	(170)
Tax losses	-	-		-
Net Deferred Tax Liability	(183)			(170)
MAT Credit entitlement*	354			43
Net Deferred Tax Assets/(Liability)	171			(127)

*MAT credit availed during the year ₹311 Lakhs.

(₹ in Lakhs)

2017-18	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	(329)	79	-	(250)
Provision for Doubtful Debts and others	18	5	-	23
Financial assets at FVTPL	27	(25)	-	2
Financial assets at FVTOCI	3	-	-	3
Defined benefit obligation, Provision for compensated absences	15	12	12	39
Total	(266)	71	12	(183)
Tax losses	342	(342)	-	-
Net Deferred Tax Assets/(Liability)	76	(271)	12	(183)
MAT Credit entitlement*	358			354
Net Deferred Tax Asset *	434			171

8. Other Assets

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good				
(a) Security Deposit*	2,508	2,509	-	-
(b) Advances to suppliers	-	-	358	462
(c) Capital Advance	5	107	-	-
(d) Share Application money pending allotment	-	34	-	-
(e) Balance with Statutory authorities	40	41	537	3,010
(f) Prepaid expenses	64	13	80	98
	2,617	2,704	975	3,570

* Includes an amount of INR 2,500 Lakhs paid to TVS Investments Private Limited as Indemnity Deposit. (Refer note 33)

9. Inventories

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
(a) Raw materials	1,484	1,070
(b) Work-in-process	-	-
(b) Finished goods	385	342
(c) Stock-in-trade (Goods acquired for trading)	1,292	47,109
	3,161	48,521

Notes:

a) The cost of inventories recognised as an expense during the year is disclosed in Note 23"

b) Cost of inventory recognised as an expense include ₹ 302 Lakhs (during 2017-18 ₹ 258 Lakhs) on account of provision for slow moving / non moving inventory.

c) Total Inventory includes goods in transit of ₹ 665 Lakhs (March 31, 2018 - ₹ 364 Lakhs)

10. Trade Receivables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	2,563	40,074
Unsecured, significant increase in credit risk	77	73
Total Receivables	2,640	40,147
Allowance for doubtful debts	(77)	(73)
	2,563	40,074
Current	2,563	40,074
Non-current	-	-

The average credit period on sales of goods ranges from 30 to 45 days. No interest is charged on trade receivables up to the due date. The table below depicts the ageing of trade receivables:

Age of receivables	As at March 31, 2019	As at March 31, 2018
0-180 days	2,515	39,831
181-365 days	72	265
More than 365 days	53	51
	2,640	40,147

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%

The ageing based provision matrix is not applied on the receivables relating to Distribution Business based on the historical credit loss experience with the customers of this business.

Movement in expected credit loss allowance	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	73	56
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	4	17
Balance at end of the year	77	73

11. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
(a)	Balances with banks		
	(i) In Current account	164	517
	(ii) In Deposit account	135	2,685
(b)	Cash on hand	18	23
(c)	Cheques, drafts on hand	-	-
		317	3,225

12. Other bank balances

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
(a)	Balances with banks in earmarked accounts		
	- In Unpaid Dividend account	12	4
	- In deposits with maturity above three months	500	670
		512	674

13. Non Current tax asset

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance tax & TDS (net of provision)	402	445
Total	402	445

14. Equity Share Capital

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
AUTHORISED :		
Equity Shares:		
2,50,00,000 Equity Shares of ₹10 each (2018 - 2,50,00,000)	2,500	2,500
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,86,12,818 Equity Shares of ₹10 each (2018 - 1,86,12,818)	1,861	1,861
	1,861	1,861

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

Reconciliation	2018-19 No of Shares	2018-19 (₹ in Lakhs)	2017-18 No of Shares	2017-18 (₹ in Lakhs)
Equity Shares of ₹10 each fully paid up				
At the beginning of the year	18,612,818	1,861	18,612,818	1,861
Allotment of shares on exercise of Employee Stock Option	-	-	-	-
At the end of the year	18,612,818	1,861	18,612,818	1,861

14.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

Name of the Share holder	No of shares held as at March 31, 2019 Nos.	March 31, 2019 %	March 31, 2018 Nos.	March 31, 2018 %
TVS Investments Private Limited	11,160,093	59.96	11,160,093	59.96

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 carry 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

15. Other equity

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital reserve	61	61
Security Premium	1,492	1,492
General Reserve	405	309
Share options outstanding reserve	33	201
Reserve for equity instruments through Other Comprehensive income	(2)	(10)
Actuarial movement through other comprehensive income (net of tax)	(52)	(50)
Retained Earnings	4,900	4,493
	6,837	6,496

Reserves and surplus:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Capital reserve	61	61
(b) Security Premium	1,492	1,492
(c) General Reserve		
Opening balance	309	309
Add :Addition during the year (Refer 'd' below)	96	-
Closing balance	405	309

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.

(d) Share Options Outstanding Reserve		
Opening balance	201	120
Add :Addition during the year		81
Less: Forfeited during the year (Refer note 26)	(72)	-
Less: Transferred to General Reserve*	(96)	-
Closing balance	33	201

* Represents fair market value of 1,12,500 vested options forfeited.

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share based payments to employees is set out in note 38.

(e) Reserve for equity instruments through Other Comprehensive income		
Opening Balance	(10)	(10)
Additions/(Deletions)	8	-
Closing	(2)	(10)

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.

	Year ended March 31, 2019	Year ended March 31, 2018
(f) Actuarial movement through Other Comprehensive Income		
Opening Balance	(50)	(28)
Additions/(Deletions)	(2)	(22)
Closing	(52)	(50)
(g) Retained Earnings		
Opening Balance	4,493	2,981
Profit for the year	744	1,624
	5,237	4,605
Less : Appropriations		
Dividend on Equity Shares (including Dividend distribution tax)	337	112
Closing Balance	4,900	4,493

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

The Board of Directors at their meeting on May 11, 2019 have recommended a final dividend of ₹1.50 per Equity share of face value of ₹10/- each for the financial year ended March 31, 2019 which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

16. Provisions

(₹ in Lakhs)

		Non-current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a.	Provision for compensated absences	72	71	34	35
b.	Provision for Warranty	145	223	594	510
		217	294	628	545

17. Other liabilities

(₹ in Lakhs)

		Non-current		Current	
		As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a.	Statutory remittances	-	-	298	224
b.	Gratuity	-	-	55	47
c.	Unexpired Annual Maintenance Contracts	46	32	34	53
d.	Others	-	-	89	41
		46	32	476	365

18. Short Term Borrowings

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost			
a.	Loan repayable on demand		
	- from banks	-	150
b.	Others		
	- Buyer's credit	-	179
		-	329

19. Trade Payables

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
Trade payables			
-	Total outstanding dues of micro enterprises and small enterprises	191	52
-	Total outstanding dues of creditors other than micro enterprises and small enterprises	5,265	93,109
Employee related payables		331	249
Total Payable to other than micro enterprises and small enterprises		5,596	93,358
		5,787	93,410

Note:

a) Of this an amount of ₹191 Lakhs (2018 - ₹52 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.

20. Other financial liabilities

(₹ in Lakhs)

		As at March 31, 2019	As at March 31, 2018
At Amortised Cost			
(a)	Interest accrued but not due on borrowings & acceptance	-	2
(b)	Unclaimed dividends	12	4
(c)	Security deposit	464	264
At Fair Value through profit or loss			
	(i) MTM liability not designated through hedge relationship	17	2
		493	272

21. Revenue from operations

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Sale of Products (PY Including Excise Duty)	14,688	16,749
(b)	Sale of Products - Distribution Business	252,881	387,512
(c)	Sale of Services	7,528	5,554
(d)	Sale of Services - Distribution Business	468	1,019
(e)	Other operating revenues	119	56
		275,684	410,890

Note:

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue has to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method(modified retrospective approach). The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant. (Refer note 31 for relevant disclosures)

22. Other Income

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest income earned on financial assets that are not designated at fair value through profit / loss		
	On bank deposits (at amortised cost)	212	121
	On security deposits	12	13
	On Income Tax refund	33	-
	- Profit on sale of Property, Plant and Equipment	10	4
	- profit on sale of investments	1	1
	- Net gain arising on financial assets measured at FVTPL	43	56
	- Net gain on foreign currency transaction and translation	59	25
(b)	Other non-operating income	3	-
		373	220

23. Cost of material consumed

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of raw materials and components	1,070	855
Add: Purchases	7,154	6,410
	8,224	7,265
Less: Closing stock of raw materials and components	1,484	1,070
Consumption of raw material and components	6,740	6,195

24. Purchases of Stock-in-trade

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Purchases of Stock-in-trade	209,617	424,545
Total	209,617	424,545

25. Changes in Inventories of finished goods, work-in-progress and stock in trade

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock:		
Finished goods	342	289
Stock-in-trade	47,109	14,167
	47,451	14,456
Closing Stock:		
Finished goods	385	342
Stock-in-trade	1,292	47,109
	1,677	47,451
Decrease / (Increase) in Stocks	45,774	(32,995)

26. Employee Benefit expense

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Salaries, Wages and Bonus	3,180	2,683
(b) Contribution to Provident and Other Funds	261	216
(c) Workmen and Staff Welfare Expenses	241	198
(d) Share-based payments to employees*	(72)	81
Total	3,610	3,178

* Represents amount written back on forfeiture of options granted, but not vested under Employee Stock Option Plan.

27. Finance Costs

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest		
	On term loans	-	21
	On others	15	99
(b)	Other borrowing costs	26	22
Total		41	142

Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary cost incurred in connection with borrowings.

28. Depreciation and amortisation expense

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
Depreciation/amortisation on			
(a)	Property, plant and equipment	337	385
(b)	Intangible assets	31	61
Total		368	446

29. Other expenses

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Consumption of Stores, Spares and Consumables	99	73
(b)	Power and Fuel	151	147
(c)	Rent	984	857
(d)	Repairs and Maintenance		
	- Buildings	284	328
	- Plant and Machinery	31	36
	- Others	233	270
(e)	Insurance	86	80
(f)	Rates and Taxes	9	54
(g)	Auditors' Remuneration (refer note 32 (iii))	25	26
(h)	Directors' Fees and Commission	16	19
	(i) Loss on Sale & discard of Assets	16	51
	(j) Travelling & conveyance	650	461
(k)	Legal & consultancy	435	506
(l)	Outsource staffing services	2,607	1,619
(m)	Carriage outwards	353	486
(n)	Corporate Social Responsibility expense (refer note 32 (iv)	27	14
(o)	Provision for doubtful debts	4	17
(p)	Bad Debts / Advances written off	36	10
(q)	Warranty expenses	625	1,162
(r)	Authorised service provider expense	845	340
(s)	Provision for impairment in value of investments in subsidiary	-	72
(t)	Miscellaneous expenses	611	751
Total		8,127	7,379

30. Earnings per Share:

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Basic Earnings per share (Amt in ₹)	4.00	8.73
Diluted Earnings per share (Amt in ₹)	**3.99**	**8.63**

30.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit after Taxation (₹in Lakhs)	744	1,624
Earnings used in the calculation of basic earnings per share	744	1,624
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	18,612,818	18,612,818
Add : Number of shares issued pursuant exercise of Employees Stock option	-	-
Number of equity Shares of ₹ 10 each outstanding at the end of the year	**18,612,818**	**18,612,818**

30.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Earnings used in the calculation of basic earnings per share	744	1,624
Adjustments	-	-
Earnings used in the calculation of diluted earnings per share	**744**	**1,624**

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	18,612,818	18,612,818
Shares deemed to be issued for no consideration in respect of - employee options	33,656	208,788
Weighted average number of equity shares used in the calculation of diluted earnings per share	**18,646,474**	**18,821,606**

31. Revenue from contracts with customers

Disaggregation of revenue

The following table provides information about disaggregated revenue by major service line, timing of revenue recognition and category of customer (in INR Lakhs):

Major product/service lines	Year ended March 31, 2019
Sale of goods	267,569
In-Warranty Service	6,169
Out of warranty Service	1,005
Others	941
Total revenue from contracts with customers	275,684

Timing of revenue recognition	Year ended March 31, 2019
Products & services transferred at point in time	275,585
Services transferred over a period of time	99
Total revenue from contracts with customers	275,684

Category of customer	Year ended March 31, 2019
Institutional - Govt / BFSI	2,258
Retail - ADP & Channel	12,052
Others - Brands / end user	261,374
Total revenue from contracts with customers	275,684

Transaction price allocated to the remaining performance obligations

“The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures with respect to:

- contracts where revenue is recognised at a point in time

-the performance obligation that is part of a contract that has an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.”

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Particulars	As at March 31, 2019
Unamortised portion of service contracts	79
Total	79

Contract liability

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

Particulars	Year ended March 31, 2019
Balance at the beginning of the year	85
Additions (on account of invoicing during the year or advance received from the customer during the year)	93
Revenue recognized that was included in the unearned income / deferred revenue / advance received from customers balance at beginning of the year	(99)
Balance at the end of the year	79

Particulars	Year ended March 31, 2019
Contract price (as reflected in the signed contract with customer)	295,564
Reduction towards amounts payable to customer:	
Amounts paid/payable to the brand	
Reduction towards variable components:	
-Direct commission	12,690
-Parts cost	7,190
-Penalties	
Revenue recognized	275,684

The Company receives payments from customers based upon contractual billing schedules; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract. The Company had no asset impairment charges related to contract assets in the period.

32. Other Disclosures

(i) Contingent liabilities

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
(i) Claims against the company not acknowledged as debt		
Income tax	62	97
Excise duty	-	13
Value added tax & CST	124	53
Others	108	56

(ii) Capital commitments

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	2	98

(iii) Audit Fees

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
As statutory auditors	15	15
Tax Audit	2	2
Other services	4	5
Reimbursement of expenses	4	4
Total	25	26

(iv) Expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
Gross amount required to be spent by the Company during the year	22	13
(b) Amount spent during the year in cash	27	14

33. Related Party Disclosure for the year ended March 31, 2019 (as required under Ind AS 24)

33.1. Holding companies

T.V.Sundram Iyengar & Sons Private Limited (Ultimate Holding Company)

TVS Investments Private Limited (Holding Company of Reporting Entity)

33.2. Subsidiary company

Benani Foods Private Limited (Till March 22, 2019)

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

Fellow Subsidiaries:

Sundaram-Clayton Limited

TVS Motor Company Limited

TVS Capital Funds Private Limited

Harita Techserv Limited

Brakes India Private Limited

Emerald Haven Reality Limited

Harita Fehrer Limited

Harita Seating System Limited

Sundaram Auto Components Limited

Sundaram Industries Private Limited

Sundaram Fastners Limited

TVS Credit Services Limited

TVS Logistics Services Limited

TVS Upasna Limited

Wheels India Limited

33.4 Key Management Personnel (KMP)

Mr. Gopal Srinivasan (Chairman)

Mrs. Srilalitha Gopal (Managing Director) (from May 11, 2018)

33.5 Transactions with related parties

₹ in Lakhs

	2018-19 Amt	2017-18 Amt
Services availed		
a. Sundaram-Clayton Limited, Chennai	15	14
b. TVS Investments Private Limited, Chennai	51	53
c. TVS Capital Funds Private Limited, Chennai	104	148
Investment made during the year		
a. Benani Foods Private Limited	95	175
Earnest Money Deposit received		
a. Brakes India Private Limited	145	
Sale of Materials / Fixed Assets		
a. TVS Motor Company Limited, Chennai	36	20
b. Sundaram-Clayton Limited, Chennai	21	3
c. TVS Automobile Solutions Pvt Ltd	2	
d. TVS Logistics Services Limited	2	
Services rendered		
a. Brakes India Private Limited	8	
b. Emerald Haven Reality Limited	2	
c. TVS Motor Company Limited	112	117
d. Harita Fehrer Limited	5	
e. Harita Seating Systems Limited	1	
f. TVS Capital Funds Private Limited	10	12
g. Sundaram Auto Components Limited	7	
h. Sundaram Industries Private Limited	1	
i. Sundaram Fastners Limited	26	
j. Sundaram-Clayton Limited	118	101
k. TVS Credit Services Limited	2	
l. TVS Logistics Services Limited	2	
m. TVS Upasana Limited	3	
n. Wheels India Limited	25	
o. International Money Matters Pvt Ltd	11	
p. WIL Car Wheels Limited	10	
Remuneration to Key Management Personnel		
(1) Salary	80	-
(2) Employee Stock Option Plan	-	-
(3) Sitting Fees	-	1
Closing Balance		
a) Trade Receivables		
a. Sundaram-Clayton Limited, Chennai	18	26
b. TVS Motor Company Limited, Chennai	5	15
c. TVS Capital Funds Private Limited, Chennai		-
d. Brakes India Private Limited	1	
e. Sundaram Fasteners Limited	4	
f. TVS Credit Services Limited	4	
g. Wheels India Limited	2	
h. International Money Matters Private Limited	21	
i. WIL Car Wheels Limited	2	
b) Indemnity Deposit		
a. TVS Investments Private Limited, Chennai	2,500	2,500
c) Trade Payables		
a. TVS Investments Private Limited, Chennai	7	17
b. TVS Capital Funds Private Limited, Chennai	18	46
c. Sundaram-Clayton Limited, Chennai	4	4

34. Income taxes relating to continuing operations

34.1 Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of current year	690	550
In respect of prior years	2	-
Deferred tax		
In respect of current year	(14)	271
Total income tax gain recognised in the current year relating to continuing operations	678	821

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Profit before tax from continuing operations	1,422	2,445
Income tax expense calculated at 34.944% (2017-18 - 34.608%)	497	846
Effect of income that is exempt from taxation	-	(1)
Effect of differential tax rate for LTCG / STCG	-	(28)
Effect of expenses that are not deductible in determining taxable profit	159	(18)
Effect of other temporary differences now recognised as DTL, net	(13)	22
	643	821
Adjustments recognised in current year relating to current tax of previous years	35	-
Income tax expense recognised in profit or loss (relating to continuing operations)	678	821

The tax rate used for the 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 34.944% and 34.608% respectively, payable by corporate entities in India on taxable profits under the Indian tax law.

34.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	2018-19	2017-18
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	3	-
Remeasurement of defined benefit obligation	(2)	(12)
Total income tax recognised in other comprehensive income		
	1	(12)

35. Financial Instruments

35.1 Capital management

The Company's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	-	329
Cash and cash equivalents	317	3,225
Net debt	-	-
Equity**	8,698	8,357
Total capital (Net Debt+Equity)	8,698	8,357
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.

35.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Other investments		
Measured at amortised cost	1,506	97
(a) Cash and bank balances		
(b) Other financial assets	829	3,899
Measured at FVTOCI	3,857	40,973
(a) Investments in equity instruments designated upon initial recognition		
Measured at Cost	57	48
(a) Investment in subsidiaries		
	-	378
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
(a) Derivatives not designated in hedge accounting relationships		
Measured at amortised cost	17	2
(a) Other financial liabilities		
	6,263	94,009

35.3 Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using financial instruments such as foreign currency forward contracts to hedge risk exposures and appropriate risk management policies as detailed below. The use of these financial instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk. The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

35.4 Market Risk

The Company's financial instruments are exposed to market rate changes. The Company is exposed to the following significant market risks:

- Foreign currency risk
- Interest rate risk
- Other price risk

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

35.5 Foreign Currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the company's foreign currency denominated monetary liabilities at the end of the reporting period.

	Liabilities as at (Amount in Lakhs)	
Currency	March 31, 2019	March 31, 2018
USD	5	2
EURO	2	0
JPY	-	31

Foreign currency forward contracts outstanding as at Balance Sheet date:

	Liabilities as at (Amount in Lakhs)	
Currency	March 31, 2019	March 31, 2018
USD	12	4
EURO	-	1

35.5.1 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.

	USD - INR impact		EUR - INR impact		JPY - INR impact	
Particulars	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Profit or loss	33	10	12	2	-	2

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

35.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

35.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Impact on profit & loss account	-	3

35.7 Other price risks

The company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic purposes. The company doesn't actively trade these investments.

35.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis 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 March 31, 2019	For the Year ended March 31, 2018
Impact on OCI	0.6	0.5

35.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The company uses other publicly available financial information and its own trading records to review its major customers. The company's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

35.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-, medium- and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

35.9.1 Liquidity and interest risk tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019

Particulars	Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount
Trade payables	5,787				5,787	5,787
Borrowings	-				-	-
Other financial liabilities	1,294				1,294	493

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018

Particulars	Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount
Trade payables	93,410				93,410	93,410
Borrowings	329				329	329
Other financial liabilities	368				368	272

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

35.10 Fair value measurements

35.10.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the company's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and inputs used).

Particulars	Fair value hierarchy	As at March 31, 2019			As at March 31, 2018		
		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	2,563	-	-	40,074	-	-
- Cash and cash equivalents	Level 2	317	-	-	3,225	-	-
- Bank balances other than cash and cash equivalents	Level 2	512	-	-	674	-	-
- Investments in Mutual funds	Level 1	-	1,506		-	97	
- Investments in equity instruments	Level 3	-	-	57	-	-	48
- Other financial assets	Level 2	1,294	-	-	899	-	-

Particulars	Fair value hierarchy	As at March 31, 2019			As at March 31, 2018		
		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	-	-	-	329	-	-
Trade payables	Level 2	5,787	-	-	93,410	-	-
Other financial liabilities	Level 2	476	17	-	270	2	-

36. Segment revenues, results and other information

(₹ in Lakhs)

Particulars	March 31, 2019			March 31, 2018		
	IT Products & Technical Services	Distribution Services	Total	IT Products & Technical Services	Distribution Services	Total
Revenue from Operations						
External Sales	22,335	253,349	275,684	22,359	388,531	410,890
Less: Inter Segment Sales - Elimination	-	-	-	-	-	-
Net Revenue	22,335	253,349	275,684	22,359	388,531	410,890
Segmentwise results before interest and tax and Exceptional items	983	620	1,603	737	1,261	1,998
Add: Interest Income	-	-	212	-	-	121
Add: Other unallocable Income	-		161	-		99
Less: Finance Costs	-	-	(41)	-	-	(142)
Less: other unallocable expense			(156)			
Profit before tax from ordinary activities before tax and exceptional items	-	-	1,780	-	-	2,076
Add / (less): Exceptional items	-	-	(358)	369	-	369
Profit from ordinary activities before tax and after exceptional items			1,422	-	-	2,445
Less: Tax expense			(678)	-	-	(821)
Profit After Tax			744	-	-	1,624
Segment Assets	13,749	441	14,190	10,289	88,138	98,427
Unallocated segment assets			2,282	-	-	5,177
Total Assets			16,472			103,604
Segment Liabilities	6,555	1,092	7,647	3,944	90,974	94,918
Unallocated segment laibilities			127	-	-	329
Total Liabilities			7,774			95,247
Capital Expenditure	593	69	662	240	-	240
Segment depreciation/amortisation	367	1	368	446	-	446
Non-cash expenses / (income) other than depreciation / amortisation	(72)	-	-	81	-	-

37. Employee benefit plans

A. Description of plans

The Company makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund, Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature.

Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Company makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

B. Defined benefit plans :

Gratuity -

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2019 by Mr.A D Gupta, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method.The following table sets forth the status of the Gratuity Plan of the Company and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk : The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk : The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liabilty.

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.

(₹ in Lakhs)

	Gratuity (Funded)	
	2018-19	2017-18
Present Value of obligations at the beginning of the year	292	246
Current service cost	43	40
Interest Cost	21	17
Acquistion / Diventitures / Adjustments	-	6
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	2	23
- Actuarial gains and losses arising from experience adjustment	-	-
Benefits paid	(29)	(40)
Present Value of obligations at the end of the year	329	292
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	245	226

(₹ in Lakhs)

	Gratuity (Funded) 2018-19	2017-18
Interest Income	18	17
Return on plan assets	(1)	(11)
Acquistion / Diventitures / Adjustments	-	7
Other charges	(3)	(3)
Contributions from the employer	44	49
Benefits Paid	(29)	(40)
Fair Value of plan assets at the end of the year	274	245
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	329	292
Fair value of plan assets at end of the year	274	245
Funded status of the plans – Liability recognised in the balance sheet	55	47
Components of defined benefit cost recognised in profit or loss		
Current service cost	43	40
Net Interest Expense	2	-
Net Cost in Profit or Loss	45	40
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	2	23
- Actuarial gains and losses arising from experience adjustment	-	-
Return on plan assets	1	11
Net Cost in Other Comprehensive Income	3	34

Currency	March 31, 2019	March 31, 2018
Assumptions		
Discount rate	7.10%	7.80%
Expected rate of salary increases	7.50%	7.50%
Expected rate of attrition	18.00% to 34.00%	10.00% to 25.00%
Average age of members	34.28	33.66
Average remaining working life	23.72	24.34
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 detemination 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, 2019	March 31, 2018
Discount rate		
- 1% increase	10	15
- 1% decrease	(10)	(13)
Salary growth rate		
- 1% increase	(7)	(11)
- 1% decrease	8	11

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

C. Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows.

Assumptions	2018-19	2017-18
Discount rate	7.10%	7.80%
Attrition Rate	18.00% to 34.00%	10.00% to 25.00%
Expected rate of salary increases	7.50%	7.50%

38. Share based payments

38.1 Employee share option plan of the Company

38.1.1 Details of the employee share option plans of the Company

Refer note 1 (14) for accounting policy on share-based payment.

The shareholders of the company had approved Employee Stock Option scheme 2011, at previous annual general meetings which will be administered by the Nomination and Remuneration committee of the Board of Directors.

Each employee share option converts into one equity share of the Company on exercise. No amount in excess of face value of the share are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The following share-based payment arrangement were in existence during the current and prior years.

Description	Date of grant	Number of Options granted	Expiry date	Fair value on the date of grant as per Binomial option pricing model	Exercise price
Details of options granted					
	14.10.2015	150,000	31.03.2023	97.56	10.00
Total		150,000			

38.1.2 The following assumptions were used for calculation of fair valuation of grants in accordance with Binomial model:

Particulars	Vest I
Grant date share price	14-Oct-15
Exercise price (in ₹)	10.00
Expected volatility	58.1%
Expected life (years)	7.0
Dividend yield	0.00
Risk free interest rate	7.7%

The risk free interest rate are determined based on zero coupon sovereign bond yield with maturity equal to expected life of the option. Volatility calculation is based on historical stock price using the standard deviation daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been arrived based on the historical trend of dividend declaration by the company as on valuation date.

38.1.3 Movements in share options during the year :

			Options (Numbers) 2018-19	Weighted Average exercise price per option (₹)	Options (Numbers) 2017-18	Weighted average exercise price per option (₹)
a	Balance at the beginning of the year	Options vested and exercisable	150,000	10.00	-	
		Options unvested	150,000	10.00	300,000	10.00
		Total	300,000	10.00	300,000	10.00
b	Options granted during the year		-	-	-	-
c	Options vested during the year		-	-	-	-
d	Options exercised during the year		-	-	-	-
e	Options lapsed/cancelled during the year		262,500	10.00	-	-
f	Options outstanding at the end of the year	Options vested and exercisable	37,500	10.00	-	-
		Options unvested	-	-	300,000	10.00
		Total (a+b-d-e)	37,500	10.00	300,000	10.00

Weighted Average remaining contractual life for option outstanding as at March 31, 2019 was nil (March 31, 2018: 2192 days)

38.1.4. Share options exercised during the year: Nil (2018 - Nil)

39. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 11, 2019.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

BHAVANI BALASUBRAMANIAN
Partner

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

Place: Chennai
Date: May 11, 2019

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Independent Auditor's Report

To The Members of TVS Electronics Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of TVS Electronics Limited ("the Parent") and its erstwhile subsidiary, (the Parent and its erstwhile subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated 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 consolidated 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 consolidated state of affairs of the Group as at 31 March 2019, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated 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 consolidated financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	Impairment assessment of indefinite useful life intangible assets Intangible assets pertains to Business Rights that have been recognized pursuant of acquisition of Service Tec business in earlier years. 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:	Principal Audit Procedures We assessed the company's impairment testing process of the Service Tec business at the balance sheet date. Our audit approach consisted procedures for testing the design, implementation and the operative effectiveness of the internal controls and substantive procedures as follows:

Sr. No.	Key Audit Matter	Auditor's Response
	>> Revenue growth >> Earnings before interest, tax, depreciation and amortisation >> Discount rate >> Terminal growth rate Accordingly, the impairment test of this business rights are considered as a key audit matter. Accordingly, the impairment test of this business rights are considered as a key audit matter. Refer to Notes 1.b.7 and 3.1 to the financial statements	• Evaluated the design and implementation of internal controls relating to managements impairment assessment testing of the Service tec business • Tested the operative effectiveness of internal control relating to managements impairment assessment testing of the Service tec business 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. • Evaluated the reasonableness of customer wise revenue projections with reference to prospective business orders, historical performance and macro-economic 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 new business. We engaged our internal specialists to assist with: • Critically evaluating whether the model used by management to calculate the value in use of the Cash Generating Units complies with the requirements of Ind AS 36 Impairment of Assets. • Validating the assumptions used to calculate the discount rates, terminal growth rate and recalculating these rates based on industry specific risks and risk free return.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the Directors Report along with annexures, Corporate Social Responsibility Report, Secretarial Audit Report and Corporate Governance Report (but does not include the consolidated 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 and Managing Directors message, which is expected to be made available to us after that date.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiary, to the extent it relates to this entity and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from its financial statements.
- 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 and Managing Director's message, 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 Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the company included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid

In preparing the consolidated financial statements, the respective Board of Directors of the company included in the group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the company included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Parent 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated financial statements.

We communicate with those charged with governance of the Parent, 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 consolidated 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.

Other Matters

We did not audit the financial statements of an erstwhile subsidiary whose financial statements reflect total assets of ₹ 137 Lakhs as at 31st March, 2019, total revenues of ₹ 387 Lakhs and net cash outflows amounting to ₹ 7 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this erstwhile subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid erstwhile subsidiary is based solely on the report of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditor.

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 of the aforesaid consolidated financial statements.
   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
   d) In our opinion, the aforesaid consolidated 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 of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the directors of the parent is disqualified as on March 31, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent.

      Reporting on the adequacy of Internal Financial Control Over Financial Reporting of an erstwhile subsidiary company incorporated in India and the operating effectiveness of such controls, under section 143(3)(i) of the Act is not applicable in view of the exemption available to the subsidiary company in terms of the notification no. G.S.R. 583(E) dated June 13, 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated July 25, 2017.
   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 Parent 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,
      ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;
      iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Parent.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

BHAVANI BALASUBRAMANIAN
Partner
(Membership No.22156)

Place: Chennai,
Date: May 11, 2019

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of TVS Electronics Limited ("the Parent").

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Parent 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Parent'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 internal financial controls over financial reporting of the Parent, 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 internal financial controls system over financial reporting of the Parent.

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 Parent, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 008072S)

BHAVANI BALASUBRAMANIAN
Partner
(Membership No.22156)

Place: Chennai,
Date:May 11, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

S. No.	Particulars	Notes	As at March 31, 2019	As at March 31, 2018
A	ASSETS			
	Non-Current Assets			
	(a) Property, plant and equipment	2	1,108	993
	(b) Capital Work in Progress	2	37	11
	(c) Goodwill	4	-	194
	(d) Intangible Assets	3	1,923	1,881
	(e) Financial Assets			
	(i) Investments			
	a) Investments in subsidiaries	4	-	
	b) Other Investments	5	57	145
	(ii) Other financial assets	6	310	270
	(f) Deferred tax assets (Net)	7	-	169
	(g) Non Current tax assets (Net)	13	402	445
	(h) Other Non current assets	8	2,617	2,670
	Total non-current assets		6,454	6,778
	Current Assets			
	(a) Inventories	9	3,161	48,540
	(b) Financial Assets			
	(i) Other Investments	5	1,506	-
	(ii) Trade Receivables	10	2,563	40,128
	(iii) Cash and Cash Equivalents	11	317	3,238
	(iv) Bank balances other than (iii) above	12	512	674
	(v) Other Financial assets	6	984	635
	(c) Other Current Assets	8	975	3,575
	Total current assets		10,018	96,790
	TOTAL ASSETS		16,472	103,568
B	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	14	1,861	1,861
	(b) Other Equity	15	6,837	6,412
	Equity attributable to the owners of the Company		-	(54)
	Non controlling interest	39	8,698	8,219
	Total equity			
	Liabilities			
	Non-Current Liabilities			
	(a) Provisions	16	217	294
	(b) Deferred tax liabilities (Net)	7	127	-
	(c) Other non-current liabilities	17	46	37
	Total non-current liabilities		390	331
	Current Liabilities			
	(a) Financial Liabilities			
	i. Borrowings	18	-	329
	ii. Trade Payables	19		
	-Total outstanding dues of micro enterprises and small enterprises		191	52
	-Total outstanding dues of creditors other than micro enterprises and small enterprises		5,596	93,439
	iii. Other financial Liabilities	20	493	285
	(b) Provisions	16	628	545
	(c) Other Current Liabilities	17	476	368
	Total current liabilities		7,384	95,018
	Total Liabilities		7,774	95,349
	TOTAL EQUITY AND LIABILITIES		16,472	103,568

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

For and on behalf of the Board of Directors

BHAVANI BALASUBRAMANIAN
Partner

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

Place: Chennai
Date: May 11, 2019

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

S. No.	Particulars	Notes	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from Operations	21	276,071	411,334
II	Other Income	22	374	221
III	Total Income (I+II)		276,445	411,555
IV	Expenses:			
	Cost of materials consumed	23	6,998	6,458
	Purchases of Stock-in-Trade	24	209,617	424,545
	Changes in Inventories of finished goods and stock in trade	25	45,774	(32,995)
	Excise duty on sale of goods		-	144
	Employee benefits expense	26	3,737	3,311
	Finance costs	27	41	142
	Depreciation and amortisation expense	28	382	461
	Other expenses	29	8,340	7,538
	Total Expenses (IV)		274,889	409,604
V	Profit before tax & Exceptional Items (III-IV)		1,556	1,951
VI	Exceptional Items (Refer note 4.1)		5	369
VII	Profit before tax (V+VI)		1,561	2,320
VIII	Tax Expense:			
	(1) Current Tax	34	690	550
	(2) Deferred Tax	7	(14)	270
	(3) Tax relating to earlier years	34	2	-
			678	820
IX	Profit for the year (VII-VIII)		883	1,500
	Other Comprehensive Income			
	A. i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the defined benefit plans		(3)	-33
	b) Equity instruments through other comprehensive income		10	
			7	(33)
	ii) Income tax relating to items that will not be reclassfied to profit or loss		(1)	12
X	Total other comprehensive income (A(i-ii))		6	(21)
	Profit for the year attributable to:			
	- Owners of the Company		985	1,615
	- Non-controlling Interest		(102)	(115)
	Other comprehensive Income for the year attributable to:			
	- Owners of the Company		6	(22)
	- Non-controlling Interest		-	1
	Total comprehensive Income for the year attributable to:			
	- Owners of the Company		991	1,593
	- Non-controlling Interest		(102)	(114)
XI	Total Comprehensive Income (IX+X)		889	1,479
XII	Earnings Per Equity Share (Nominal value per share ₹ 10)			
	(a) Basic	30	5.29	8.68
	(b) Diluted	30	5.28	8.58

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Consolidated Cash flow
for the year ended March 31, 2019

(₹ in Lakhs)

S. No.	Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
A.	Cash flow from operating activities				
	Net profit after tax		883		1,500
	Adjustments for :				
	Depreciation and Amortisation	382		461	
	Tax Provisions	678		820	
	Finance costs	41		142	
	Provision for impairment in value of other investments	97			
	Loss on sale of investment in subsidiary	(5)		-	
	(Profit) / loss on sale of Property, Plant and equipment	(10)		(610)	
	Net (Gain)/loss arising on FVTPL Transaction	(58)		(54)	
	Profit on sale of Investment	(1)		(1)	
	Interest Income	(212)		(121)	
	Employee stock option expense	(72)		81	
	Share of cost for investment in TVS Shriram Growth Fund 1A	-		115	
	Bad debts written off and provision for doubtful debts	40		28	
	Loss on Property, Plant and equipment sold / scrapped	16	896	40	901
	Operating profit before working capital changes		1,779		2,401
	Changes in working capital				
	Adjustments for (increase)/decrease in operating assets				
	Trade and other receivables	37,486		(27,377)	
	Inventories	45,371		(33,213)	
	Other Assets	2,572		(2,553)	
	Other Financial Assets	(388)		(140)	
	Adjustments for increase/(decrease) in operating liabilities				
	Trade payables	(87,581)		65,003	
	Other Liabilities	132		148	
	Other Financial Liabilities	232		(102)	
			(2,176)		1,766
	Cash generated from operations		(397)		4,167
	Direct taxes paid net of refund		(342)		(394)
	Net cash flow (used) / from operating activities		(739)		3,773
B.	Cash flow from investing activities				
	Purchase of Property, plant and equipment including capital advances	(588)		(357)	
	Proceeds from sale of Property, plant and equipment	44		792	
	Bank balances considered as other than cash and cash equivalents	162		(674)	
	Cash inflow on disposal of subsidiary	146			
	Cash outflow on acquisition of subsidiary	-			
	Cash outflow on acquisition of other investments	(1,475)		321	
	Interest received	204		96	
	Net cash flow (used) / from in investing activities		(1,507)		178

(₹ in Lakhs)

S. No.	Particulars	For the Year ended 31 March 2019		For the Year ended 31 March 2018	
C.	Cash flow from financing activities				
	Proceeds from issue of equity shares	-		-	
	Security premium on issue of shares (Non controlling interest)	-		133	
	Repayment of Long term borrowings	-		(188)	
	Net decrease in Short term borrowings	(290)		(1,728)	
	Finance costs	(43)		(157)	
	Dividends paid Including Dividend Tax	(337)		(112)	
	Net cash flow used in financing activities		(670)		(2,052)
	Net increase in cash and cash equivalents (A+B+C)		(2,916)		1,899
	Reconciliation				
	Cash and cash equivalents as at beginning of the Year		3,238		1,339
	Cash balance of erstwhile subsidiary as at date of disposal		(5)		
	Cash and cash equivalents as at end of the Year		317		3,238
	Net increase in cash and cash equivalents		(2,916)		1,899

The accompanying notes are an integral part of these financial statements

In terms of our report attached
FOR DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

SANTOSH KRISHNADASS
Company Secretary

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Consolidated Statement of Changes in Equity

for the period ended March 31, 2019

		Reserves and Surplus						Items of other comprehensive income		
Particulars	Share Capital	Securities premium	Capital Reserve	General reserve	ESOP Reserve	Investment Subsidy	Retained earnings	Equity Instruments through Other comprehensive Income	Actuarial Gain / (Loss)	Total
Balance at April 1, 2017	1,861	1,492	61	309	120	-	2,906	(10)	(28)	6,711
Movement during 2017-18										-
Profit for the year	-	-	-	-	-	-	1,615	-	-	1,615
Recognition of share based payments	-	-	-	-	81	-	-	-	-	81
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	(22)	(22)
Payment of dividends (Including taxes)	-	-	-	-	-	-	(112)	-	-	(112)
Balance at March 31, 2018	1,861	1,492	61	309	201	-	4,409	(10)	(50)	8,273
Movement during 2018-19										
Profit for the year	-	-	-	-	-	-	985	-	-	985
Adjustments during the year: (Refer note 15)	-	-	-	-	(72)	-	(157)	-	-	(229)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	8	(2)	6
Movement within reserves (Refer Note 15)	-	-	-	96	(96)	-	-	-	-	-
Payment of dividends (Including taxes)	-	-	-	-	-	-	(337)	-	-	(337)
Balance at March 31, 2019	1,861	1,492	61	405	33	-	4,900	(2)	(52)	8,697

The accompanying notes are an integral part of these financial statements

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SANTOSH KRISHNADASS
Company Secretary

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

Consolidated 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 - 600 020

The Parent manufactures and sells Point of sale devices, Printers & Keyboards besides providing service for extensive product lines across various brands via various delivery models like exclusive service centers, multi brand service centers, Onsite support, repair centers and factories. The Parent is also into 'Distribution Services' though e-commerce. The Subsidiary offers food products like IDLY/DOSA Batter, Vada Batter, Idiyappam and cooked Idly (Ready to Eat).

Erstwhile Subsidiary of TVS Electronics Limited
Benani Foods Private Limited
54.41% was held by TVS Electronics Limited
Nature of Business
The erstwhile subsidiary offers food products like IDLY/DOSA Batter, Vada Batter, Idiyappam and cooked Idly (Ready to Eat).

b) Significant Accounting Policies

1) Statement of compliance

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

2) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

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

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

The principal accounting policies are set out below.

3) Critical accounting judgements and key sources of estimation and certainity

a) Use of estimates

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

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

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

b) Significant Estimates and judgements

The areas involving critical estimates or judgments are:

i) Fair valuation measurement & valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of various assets, liabilities and share based payments are disclosed in the notes to the financial statements.

ii) Actuarial Valuation

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

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

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

iv) Revenue Recognition

- The Company's contracts with customers could include promises to render multiple services to a customer. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves Judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

- Judgement is also applied to determine the principal and agent in the contracts with customers based on the substance of the arrangement read with the guidance provided in the standard.

- The Company uses judgement to determine standalone selling price of a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct product or service promised in the contract. Where standalone selling price is not observable, the Company uses the expected cost plus margin approach to allocate the transaction price to each distinct performance obligation.

- The Company exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time.

c) Control over Benani Foods Private Limited

Benani Foods Private Limited was considered as a subsidiary of the Company(until March 22, 2019), even though the company had less than 50% ownership till July 20, 2018 (41% as on March 31, 2018). The Directors of the Company assessed whether the Company had control over Benani Foods Private Limited based on whether the Company had the practical ability to direct the relavant activities of Benani Foods Private Limited. In making the judgment, the directors considered the Company's absolute size of holding in Benani Foods Private Limited and other relative size of and dispersion of the share holdings owned by the other shareholders. After assessment, the directors concluded that the Company has a sufficiently dominant voting interest to direct the relavant activities of Benani Foods Private Limited and therefore the Company had Control over Benani Foods Private Limited.

4) Revenue Recognition

The Parent 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 Group expects to receive in exchange for those products or services. When there is uncertainty on ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

In- Warranty Service

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

Out of Warranty Service

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

Service Contracts

In respect of service contracts, where performance obligation is satisfied over the period of time when the 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 seperate performance obligation within the definition of the standard and the transaction price is allocated between the performance obligations proportionate to the standalone selling prices of the components.

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

Extended Warranty Service

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

Practical expedient - Contract modification

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

The impact of applying Ind AS 115 Revenue from contracts with customers instead of applying erstwhile Ind AS 18 Revenue is insignificant.

5) Property, Plant and Equipment

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

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

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

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

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.

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, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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

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

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

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

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

10) Taxes on income

Tax expense comprises of current and deferred taxes

Current tax:

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

Deferred Tax:

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

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

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

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

Current and deferred tax for the year:

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

11) Provisions and contingent liabilities

(i) Provision:

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

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainities 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 relavant products, at management's best estimate of expenditure required to settle the company's obligation.

(ii) Contingent liabilities:

Wherever there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or (b) the amount of the obligation cannot be measured with sufficient reliability

12) Operating Segment

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

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

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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as property, plant and equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

14) Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 38.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Under the previous GAAP, share based payment costs were accrued on a intrinsic value method. Upon transition to Ind AS, the company has availed the exemption to apply the fair value to only unvested options.

15) Financial instruments

Financial assets and financial liabilities are recognised when a company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

15.1 Financial assets

Initial recognition and measurement:

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis

Subsequent measurement:

All recognised financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets

a. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition)

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investment in subsidiaries / associates are accounted at cost.

All other financial assets are subsequently measured at fair value.

For the impairment policy on financial assets measured at amortized cost, refer Note 1(b)(15)(d)

b. Investment in equity instruments at FVTOCI

On initial recognition, company can make an 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 other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information or case to case basis.

e. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

> For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

15.2 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

c.1. Financial liabilities at FVTPL

Financial liabilities are recognised at fair value through profit or loss (FVTPL) if it includes derivative liabilities.

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 Group derecognizes financial liabilities when, and only when, the Parent's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

15.3 Derivative financial instruments

The Company enters into forward contracts to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

16) Foreign Currency Transactions

The functional and presentation currency of the company is Indian Rupee.

In preparing the financial statements of the company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

17) Operating cycle for current and non-current classification

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

18) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

19) Standards issued but not yet effective

(i) Ind AS 12 - "Income Taxes"

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019.

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 – Income Taxes. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019.

(ii) Ind AS 19 - "Employee Benefits"

On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 – Employee Benefits in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019, though early application is permitted.

(iii) Ind AS 116 - "Leases"

On March 30, 2019, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Ind AS 116 – Leases and related amendments to other Ind ASs. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements as per Ind AS 17. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019.

The Company will adopt the standard with effect from April 1, 2019 and the effect of adoption is not expected to be significant.

2. Property, Plant and Equipment and Capital Work-in-progress

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Freehold land	24	24
Buildings	358	328
Plant and equipment	350	374
Furniture and Fixtures	114	81
Office Equipments	232	151
Vehicles	30	35
Total	1,108	993
Capital Work-in-progress	37	11

	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, 2017	24	1,158	2,169	318	898	28	4,595
Additions	-	36	49	33	81	37	236
Disposals	-	(193)	(340)	(56)	(53)	(26)	(668)
Balance at March 31, 2018	24	1,001	1,878	295	926	39	4,163
Additions	-	156	140	94	202	-	592
Disposals	-	(104)	(123)	(42)	(55)	(1)	(325)
Balance at March 31, 2019	24	1,053	1,895	347	1,073	38	4,430

	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Office Equipments (Including computers & servers)	Vehicles	Total
Accumulated depreciation and impairment							
Balance at April 01, 2017	-	628	1,652	218	716	3	3,217
Eliminated on disposals	-	(61)	(280)	(50)	(53)	(3)	(447)
Depreciation expense	-	106	132	46	112	4	400
Balance at March 31, 2018	-	673	1,504	214	775	4	3,170
Eliminated on disposals	-	(49)	(67)	(36)	(48)	-	(200)
Depreciation expense	-	71	108	55	114	4	352
Balance at March 31, 2019	-	695	1,545	233	841	8	3,322
Carrying amount as on March 31, 2018	24	328	374	81	151	35	993
Carrying amount as on March 31, 2019	24	358	350	114	232	30	1,108

3. Intangible Assets

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Carrying amounts of:		
Intellectual Property Rights		
Business Rights	1,868	1,868
Software and Licenses	55	13
Total	1,923	1,881

Cost of Asset

Amount (₹ in Lakhs)

Particulars	Intellectual Property Rights	Business Rights (Refer note 1)	Software and Licences
Gross value as on April 01, 2017	800	3,263	214
Additions	-	-	16
Disposals	-	-	-
Gross value as on March 31, 2018	800	3,263	230
Additions	-	-	72
Disposals	-	-	-
Balance at March 31, 2019	800	3,263	302

Accumulated depreciation and impairment

Particulars	Intellectual Property Rights	Business Rights	Software and Licences
Balance at April 01, 2017	760	1,395	196
Eliminated on disposals	-	-	-
Depreciation expense	40	-	21
Balance at March 31, 2018	800	1,395	217
Eliminated on disposals	-	-	-
Depreciation expense	-	-	30
Balance at Mar 31, 2019	800	1,395	247
Carrying amount as on March 31, 2018	-	1,868	13
Carrying amount as on March 31, 2019	-	1,868	55

Note:

1) Business Rights relating to servicetec business, with carrying value of ₹ 1,868 Lakhs has been considered as having an indefinite useful life as there are no technical, technological obsolence or limitations under the contract. This Business Right has been tested for impairment on the Discounted Cashflow method. Based on the valuation there was no impairment required to be recorded on the reporting date.

2) Amortization expense of intangible asset have been included under 'Depreciation & amortization' expense in statement of profit and loss account.

4. Goodwill

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Consolidated Statement of Changes in Equity for the period ended March 31, 2019		
Carrying amounts of:		
Goodwill	-	194
	-	194

Cost or Deemed Cost

Amount (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of the year	194	194
Adjustments, if any (Refer note 4.2 below)	(194)	-
Balance at end of year	-	194

4.1 The Board of Directors of the Parent, at its meeting held on November 02, 2018, decided to dispose off the entire investment in subsidiary M/s Benani Foods Private Limited. Gain on sale of this investment amounting to ₹ 5 Lakhs has been disclosed as an “Exceptional Item” in the statement of Profit & Loss.

4.2 Goodwill pertains to goodwill on consolidation. Goodwill was assigned to ‘Food products’ segment of subsidiary. Consequent to the disposal of entire investment in subsidiary by the parent, Goodwill has been derecognised.

5. Other Investments

Amount (₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
I. Unquoted Investments		
(a) Investments in Equity Instruments at FVTOCI		
6,00,000(2018 - 6,00,000) shares of ₹ 10 each fully paid up TVS Training and Services Limited.	57	48
Other Investments		
(b) Investments in Mutual Funds at FVTPL		
5,173 (2018- 8,603.03) units of Capital contribution to TVS Shriram Growth Fund 1A	-	97
Total Unquoted Investments - Non current	57	145
II. Quoted Investments		
(a) Investment in IDFC Mutual Funds	1,506	-
66,443 (2018 - Nil) units of IDFC Cash Fund - Growth at NAV of ₹ 2,267 per unit		
Cost of Investment - ₹ 1,475 Lakhs		
Total Quoted Investments - Current	1,506	-
Total Investments	1,563	145
Current	1,506	-
Non-current	57	145

6. Other Financial Assets

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Unsecured, Considered Good				
At Amortised Cost				
(a) Security Deposits	247	270	101	122
(b) Interest receivable	-	-	33	25
(c) Unbilled revenue	-	-	811	478
(d) Insurance claims	-	-	7	-
(e) Others	63	-	32	10
	310	270	984	635

7. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	146	421
Deferred tax liabilities	(273)	(252)
	(127)	169

(₹ in Lakhs)

2018-19	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	(252)	(21)	-	(273)
Provision for Doubtful Debts and others	23	4		27
Financial assets at FVTPL	2	13		15
Financial assets at FVTOCI	3		(3)	0
Defined benefit obligation, Provision for compensated absences	39	20	2	61
Total	(185)	16	(1)	(170)
Tax losses	-	-		-
Net Deferred Tax Liability	(185)			(170)
MAT Credit entitlement*	354			43
Net Deferred Tax Assets/(Liability)	169	-	-	(127)

*MAT credit availed during the year ₹ 311 Lakhs.

(₹ in Lakhs)

2017-18	Opening balance	Recognised in profit or loss	Recognised in Other comprehensive income	Closing balance
Deferred tax (liabilities)/asset in relation to	(332)	80	-	(252)
Property plant and equipment	18	5	-	23
Provision for Doubtful Debts and others	28	(26)	-	2
Financial assets at FVTPL	3	-	-	3
Financial assets at FVTOCI	15	12	12	39
Defined benefit obligation, Provision for compensated absences	(268)	71	12	(185)
Total	342	(342)	-	-
Tax losses				
Net Deferred Tax Assets/(Liability)	74	(271)	12	(185)
MAT Credit entitlement*	358			354
Net Deferred Tax Asset *	432			169

*MAT Credit availed during the year ₹ 4 Lakhs

8. Other Assets

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(a) Security Deposit*	2,508	2,509	-	4
(b) Advance to suppliers	-	107	358	-
(c) Capital Advance	5	-	-	
(d) Share Application money pending allotment	-	-	-	-
(e) Balance with Statutory authorities	40	41	537	3,472
(f) Prepaid expenses	64	13	80	99
	2,617	2,670	975	3,575

* Includes an amount of INR 2,500 Lakhs paid to TVS Investments Private Limited as Indemnity Deposit. (Refer note 33)

9. Inventories

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
(a) Raw materials (refer note c)	1,484	1,089
(b) Work-in-process	-	-
(b) Finished goods	385	342
(c) Stock-in-trade (Goods acquired for trading)	1,292	47,109
	3,161	48,540

Note:

a) The cost of inventories recognised as an expense during the year is disclosed in Note 23

b) Cost of inventory recognised as an expense include ₹ 302 Lakhs (during 2017-18 ₹ 258 Lakhs) on account of provision for slow moving / non moving inventory.

c) Total Inventory includes goods in transit of ₹ 665 Lakhs (March 31, 2018 - ₹ 364 Lakhs)

10. Trade Receivables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good	2,563	40,128
Unsecured, considered doubtful	77	81
Total Receivables	2,640	40,209
Allowance for doubtful debts	(77)	(81)
	2,563	40,128
Current	2,563	40,128
Non-current	-	-

The average credit period on sales of goods ranges from 30 to 45 days. No interest is charged on trade receivables up to the due date. The table below depicts the ageing of trade receivables:

Age of receivables	As at March 31, 2019	As at March 31, 2018
0-180 days	2,515	39,886
181-365 days	72	265
More than 365 days	53	58
	2,640	40,209

The Group 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%

The ageing based provision matrix is not applied on the receivables relating to Distribution Business based on the historical credit loss experience with the customers of this business.

Movement in expected credit loss allowance	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	81	56
Net movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	(4)	25
Balance at end of the year	77	81

11. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks		
(i) In Current account	164	528
(ii) In Deposit account	135	2,685
(b) Cash on hand	18	25
(c) Cheques, drafts on hand	-	-
	317	3,238

12. Other bank balances

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(a) Balances with banks in earmarked accounts		
- In Unpaid Dividend account	12	4
- In deposits with maturity above three months	500	670
	512	674

13. Non Current tax asset

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance tax & TDS (net of provision)	402	445
Total	402	445

14. Equity Share Capital

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
AUTHORISED :		
Equity Shares:		
2,50,00,000 Equity Shares of ₹ 10 each (2018 - 2,50,00,000)	2,500	2,500
ISSUED, SUBSCRIBED AND FULLY PAID UP		
1,86,12,818 Equity Shares of ₹ 10 each (2018 - 1,86,12,818)	1,861	1,861
	1,861	1,861

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

	2018-19		2017-18	
Reconciliation	No of Shares	(₹ in Lakhs)	No of Shares	(₹ in Lakhs)
Equity Shares of ₹ 10 each fully paid up				
At the beginning of the year	18,612,818	1,861	18,612,818	1,861
Allotment of shares on exercise of Employee Stock Option	-	-	-	-
At the end of the year	18,612,818	1,861	18,612,818	1,861

14.2 Details of shares held by each shareholder holding more than 5 percent of equity shares in the company:

	No of shares held as at			
	March 31, 2019		March 31, 2018	
Name of the Share holder	Nos.	%	Nos.	%
TVS Investments Private Limited	11,160,093	59.96	11,160,093	59.96

14.3 Terms attached to Equity Shares:

The Group 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 Groups's employee share option plan carry 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

15. Other equity

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital reserve	61	61
Security Premium	1,492	1,492
General Reserve	405	309
Share options outstanding reserve	33	201
Reserve for equity instruments through Other Comprehensive income	(2)	(10)
Actuarial movement through other comprehensive income (net of tax)	(52)	(50)
Retained Earnings	4,900	4,409
	6,837	6,412

Reserves and surplus:

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Capital reserve	61	61
(b) Security Premium	1,492	1,492
(c) General Reserve		
Opening balance	309	309
Add :Addition during the year	96	-
Closing balance	405	309

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.

(d) Share Options Outstanding Reserve		
Opening balance	201	120
Add :Addition during the year		81
Less: Forfeited during the year	(72)	-
Less: Transferred to General Reserve*	(96)	-
Closing balance	33	201

* Represents fair market value of 1,12,500 vested options forfeited.

The above reserve relates to share options granted by the Company to its employees under its employee share option plan. Further information about share based payments to employees is set out in note 38.

(e) Reserve for equity instruments through Other Comprehensive income		
Opening Balance	(10)	(10)
Additions/(Deletions)	8	-
Closing	(2)	(10)

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.

	Year ended March 31, 2019	Year ended March 31, 2018
(f) Actuarial movement through Other Comprehensive Income\		
Opening Balance	(50)	(28)
Additions/(Deletions)	(2)	(22)
Closing	(52)	(50)
(g) Retained Earnings		
Opening Balance	4,409	2,906
Profit for the year	985	1,615
	5,394	4,521
Less : Appropriations		
Adjustment for Minority interest on sale of subsidiary	157	
Dividend on Equity Shares (including Dividend distribution tax)	337	112
Closing Balance	4,900	4,409

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

The Board of Directors of the Group at their meeting on May 11, 2019 have recommended a final dividend of ₹ 1.50 per Equity share of face value of ₹ 10/- each for the financial year ended March 31, 2019 which is subject to the approval of the shareholders at the ensuing Annual General Meeting.

16. Provisions

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a. Provision for compensated absences	72	71	34	35
b. Provision for Warranty	145	223	594	510
	217	294	628	545

17. Other liabilities

(₹ in Lakhs)

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
a. Statutory remittances	-	-	298	268
b. Provision for gratuity	-	5	55	47
c. Unexpired Annual Maintenance Contracts	46	32	34	53
d. Others	-	-	89	-
	46	37	476	368

18. Short Term Borrowings

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
a. Loan repayable on demand		
- from banks	-	150
b. Others		
- Buyer's credit	-	179
	-	329

19. Trade Payables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	191	52
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5,265	93,190
Employee related payables	331	249
Total Payable to other than micro enterprises and small enterprises	5,596	93,439
	5,787	93,491

Note:

a) of this an amount of ₹ 191 Lakhs (2018 - ₹ 52 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 and relied upon by the auditors.

20. Other financial liabilities

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
At Amortised Cost		
(a) Interest accrued but not due on borrowings& acceptance	-	2
(b) Unclaimed dividends	12	4
(c) Security deposit	464	264
(d) Liability for expenses		13
At Fair Value through profit or loss		
(i) MTM liability not designated through hedge relationship	17	2
	493	285

21. Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Sale of Products (PY Including Excise Duty)	15,075	16,708
(b) Sale of Products - Distribution Business	252,881	387,512
(c) Sale of Services	7,528	6,040
(d) Sale of Services - Distribution Business	468	1,019
(e) Other operating revenues - scrap sales	119	55
Total	276,071	411,334

Note:

Effective April 1, 2018, the Group has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue has to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method(modified retrospective approach). The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant. (Refer note 31 for relevant disclosures)

22. Other Income

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Interest income earned on financial assets that are not designated at fair value through profit / loss"		
On bank deposits (at amortised cost)	212	121
On security deposits	13	13
On Income tax refund	33	-
- Profit on sale of fixed assets	10	4
- Profit on sale of investments	1	1
- Net gain arising on financial assets measured at FVTPL	43	56
- Net gain on foreign currency transaction and translation	59	25
(b) Other non-operating income	3	1
Total	374	221

23. Cost of material consumed

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock of raw materials and components	1,089	871
Add: Purchases	7,393	6,676
	8,482	7,547
Less: Closing stock of raw materials and components	1,484	1,089
Consumption of raw material and components	6,998	6,458

24. Purchases of Stock-in-trade

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Purchases of Stock-in-trade	209,617	424,545
Total	209,617	424,545

25. Changes in Inventories of finished goods, work-in-progress and stock in trade

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock:		
Finished goods	342	289
Stock-in-trade	47,109	14,167
	47,451	14,456
Closing Stock:		
Finished goods	385	342
Stock-in-trade	1,292	47,109
	1,677	47,451
(Increase) / Decrease in Stocks	45,774	(32,995)

26. Employee Benefit expense

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Salaries, Wages and Bonus	3,297	2,797
(b) Contribution to Provident and Other Funds	270	227
(c) Workmen and Staff Welfare Expenses	242	206
(d) Share-based payments to employees*	(72)	81
Total	3,737	3,311

* Represents amount written back on forfeiture of options granted under Employee Stock Option Plan.

27. Finance Costs

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Interest		
	On term loans	-	22
	On others	15	99
(b)	Other borrowing costs	26	21
Total		41	142

Other borrowing cost includes loan processing charges, guarantee charges, loan facilitation charges and other ancillary cost incurred in connection with borrowings.

28. Depreciation and amortisation expense

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
Depreciation/amortisation on			
(a)	Property, plant and equipment	352	400
(b)	Intangible assets	30	61
Total		382	461

29. Other expenses

(₹ in Lakhs)

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Consumption of Stores, Spares and Consumables	162	123
(b)	Power and Fuel	172	182
(c)	Rent	1,005	879
(d)	Repairs and Maintenance		
	- Buildings	286	340
	- Plant and Machinery	37	42
	- Others	233	270
(e)	Insurance	88	82
(f)	Rates and Taxes	13	55
(g)	Auditors' Remuneration (refer note 35 (iii))	26	27
(h)	Directors' Fees and Commission	16	19
	(i) Loss on Sale & discard of Assets	16	51
	(j) Travelling & conveyance	659	469
(k)	Legal & consultancy	439	505
(l)	Outsource staffing services	2,607	1,620
(m)	Carriage outwards	353	486
(n)	Corporate Social Responsibility expense (refer note 32 (iv))	27	14
(o)	Provision for doubtful debts	4	25
(p)	Bad Debts / Advances written off	36	3
(q)	Warranty expenses	625	1,161
(r)	Annual Maintenance Contracts expense		69
(s)	Authorised service provider expense	845	271
(t)	Miscellaneous expenses	691	845
Total		8,340	7,538

30. Earnings per Share:

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Basic Earnings per share	5.29	8.68
Diluted Earnings per share	5.28	8.58

30.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit after Taxation (₹ in Lakh)	985	1,615
Earnings used in the calculation of basic earnings per share	985	1,615
Number of equity shares of ₹ 10 each outstanding at the beginning of the year	18,612,818	18,612,818
Add : Number of shares issued pursuant exercise of Employees Stock option	-	-
Number of equity Shares of ₹ 10 each outstanding at the end of the year	18,612,818	18,612,818

30.2 Diluted Earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Earnings used in the calculation of basic earnings per share	985	1,615
Adjustments	-	-
Earnings used in the calculation of diluted earnings per share	985	1,615

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Weighted average number of equity shares used in the calculation of basic earnings per share	18,612,818	18,612,818
Shares deemed to be issued for no consideration in respect of - employee options	33,656	208,788
Weighted average number of equity shares used in the calculation of diluted earnings per share	18,646,474	18,821,606

31. 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, 2019
Sale of goods	267,956
In-Warranty Service	6,169
Out of warranty Service	1,005
Others	941
Total revenue from contracts with customers	276,071

Timing of revenue recognition	Year ended March 31, 2019
Products & services transferred at point in time	275,972
Services transferred over a period of time	99
Total revenue from contracts with customers	276,071

Category of customer	Year ended March 31, 2019
Institutional - Govt / BFSI	2,258
Retail - ADP & Channel	12,052
Others - Brands / end user	261,761
Total revenue from contracts with customers	276,071

Transaction price allocated to the remaining performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures with respect to:

- contracts where revenue is recognised at a point in time

- the performance obligation that is part of a contract that has an original expected duration of one year or less.

Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period.

Particulars	As at March 31, 2019
Unamortised portion of service contracts	79
Total	79

Contract liability

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

Particulars	Year ended March 31, 2019
Balance at the beginning of the year	85
Additions (on account of invoicing during the year or advance received from the customer during the year)	93
Revenue recognized that was included in the unearned income / deferred revenue / advance received from customers balance at beginning of the year	(99)
Balance at the end of the year	79

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

Particulars	Year ended March 31, 2019
Contract price (as reflected in the signed contract with customer)	295,951
Reduction towards amounts payable to customer:	
Amounts paid/payable to the brand	
Reduction towards variable components:	
-Direct commission	12,690
-Parts cost	7,190
-Penalties	
Revenue recognized	276,071

The Company receives payments from customers based upon contractual billing schedules; accounts receivable are recorded when the right to consideration becomes unconditional. Contract assets includes amounts related to our contractual right to consideration for completed performance objectives not yet invoiced and deferred contract acquisition costs, which are amortized along with the associated revenue. Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract. The Company had no asset impairment charges related to contract assets in the period.

32. Other Disclosures

(i) Contingent liabilities

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
(i) Claims against the company not acknowledged as debt		
Income tax	62	97
Excise duty	-	13
Value added tax & CST	124	56
Others	108	56

(ii) Capital commitments

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
(i) Estimated amount of contract remaining to be executed on capital account and not provided for (net of advances)	2	98

(iii) Audit Fees

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
As statutory auditors	16	16
Tax Audit	2	2
Other services	4	5
Reimbursement of expenses	4	4
Total	26	27

(iv) Expenditure incurred on Corporate Social Responsibility activities:

(₹ in Lakhs)

Details	March 31, 2019	March 31, 2018
(a) Gross amount required to be spent by the Group during the year	22	13
(b) Amount spent during the year in cash	27	14

33. Related Party Disclosure for the year ended March 31, 2019 (as required under Ind AS 24)

33.1.Holding companies

T.V.Sundram Iyengar & Sons Private Limited (Ultimate Holding Company)

TVS Investments Private Limited (Holding Company of Reporting Entity)

33.2 Erstwhile Subsidiary company

Benani Foods Private Limited (Till March 22, 2019)

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

Fellow Subsidiaries:

Sundaram-Clayton Limited
TVS Motor Company Limited
TVS Capital Funds Private Limited
Brakes India Private Limited
Emerald Haven Reality Limited
Global TVS Bus Body Builders Limited
Harita techserv Limited
Harita Fehrer Limited
Harita Seating System Limited
Sundaram Auto Components Limited
Sundaram Industries Private Limited
Sundaram Fastners Limited
TVS Credit Services Limited
TVS Logistics Services Limited
TVS Upasna Limited
Wheels India Limited

33.4 Key Management Personnel (KMP)

Mr. Gopal Srinivasan (Chairman)
Mrs. Srilalitha Gopal (Managing Director) (from May 11, 2018)

33.5 Transactions with related parties

(₹ in Lakhs)

	2018-19 Amt	2017-18 Amt
Services availed		
a. Sundaram-Clayton Limited, Chennai	15	14
b. TVS Investments Private Limited, Chennai	51	53
c. TVS Capital Funds Private Limited, Chennai	104	148
Earnest Money Deposit received		
a. Brakes India Private Limited	145	
Sale of Materials / Fixed Assets		
a. TVS Motor Company Limited, Chennai	42	20
b. Sundaram-Clayton Limited, Chennai	21	3
c. TVS Automobile Solutions Pvt Ltd	2	
d. TVS Logistics Services Limited	2	
Services rendered		
a. Brakes India Private Limited	8	
b. Emerald Haven Reality Limited	2	
c. TVS Motor Company Limited	112	117
d. Harita Fehrer Limited	5	
e. Harita Seating Systems Limited	1	
f. TVS Capital Funds Private Limited	10	
g. Sundaram Auto Components Limited	7	12
h. Sundaram Industries Private Limited	1	
i. Sundaram Fastners Limited	26	
j. Sundaram-Clayton Limited	118	
k. TVS Credit Services Limited	2	101
l. TVS Logistics Services Limited	2	
m. TVS Upasana Limited	3	
n. Wheels India Limited	25	
o. International Money Matters Pvt Ltd	11	
p. WIL Car Wheels Limited	10	
Remuneration to Key Management Personnel		
(1) Salary	80	-
(2) Employee Stock Option Plan	-	-
(3) Sitting Fees	-	1
Closing Balance		
a) Trade Receivables		
a. Sundaram-Clayton Limited, Chennai	17	26
b. TVS Motor Company Limited, Chennai	6	15
c. TVS Capital Funds Private Limited, Chennai		-
d. Brakes India Private Limited	1	
e. Sundaram Fasteners Limited	4	
f. TVS Credit Services Limited	1	
g. Wabco India Limited	2	
h. Wheels India Limited	3	
b) Indemnity Deposit		
a. TVS Investments Private Limited, Chennai	2,500	2,500
c) Trade Payables		
a. TVS Investments Private Limited, Chennai	7	17
b. TVS Capital Funds Private Limited, Chennai	18	46
c. Sundaram-Clayton Limited, Chennai	4	4

34. Income taxes relating to continuing operations

34.1 Income tax recognised in profit or loss

(₹ in Lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
In respect of current year	690	550
In respect of prior years	2	-
Deferred tax		
In respect of current year	(14)	270
Total income tax gain recognised in the current year relating to continuing operations	678	820

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Profit before tax from continuing operations	1,561	2,320
Income tax expense calculated at 34.944% (2017-18 - 34.608%)	545	803
Effect of income that is exempt from taxation	-	(1)
Effect of differential tax rate for LTCG / STCG	-	(28)
Effect of expenses that are not deductible in determining taxable profit	111	(18)
Effect of other temporary differences now recognised as DTL, net	(13)	64
	643	820
Adjustments recognised in current year relating to current tax of previous years	35	-
Income tax expense recognised in profit or loss (relating to continuing operations)	678	820

The tax rate used for the 2018-19 and 2017-18 reconciliations above is the corporate tax rate of 34.944% and 34.608% respectively, payable by corporate entities in India on taxable profits under the Indian tax law.

34.2 Income tax recognised in other comprehensive income

(₹ in Lakhs)

Particulars	2018-19	2017-18
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
Net fair value gain on investments in equity shares at FVTOCI	3	-
Remeasurement of defined benefit obligation	(2)	(12)
Total income tax recognised in other comprehensive income	1	(12)

35. Financial Instruments

35.1 Capital management

The Group's capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Group through the optimization of the debt and equity balance.

The Parent 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 Group monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Group. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the capital of the Group:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Debt *	-	329
Cash and cash equivalents	317	3,238
Net debt	-	-
Equity**	8,698	8,219
Total capital (Net Debt+Equity)	8,698	8,219
Net debt to equity ratio	-	-

*Debt is defined as long-term and short-term borrowings (excluding derivatives).

** Equity includes all capital and reserved of the Group that are managed as capital.

35.2 Categories of financial instruments

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Measured at fair value through profit or loss (FVTPL)		
(a) Mandatorily measured:		
(i) Other investments		
Measured at amortised cost	1,506	97
(a) Cash and bank balances		
(b) Other financial assets	829	3,912
Measured at FVTOCI	3,857	40,933
(a) Investments in equity instruments designated upon initial recognition		
Measured at Cost	57	48
(a) Investment in erstwhile subsidiaries		
Financial liabilities		
Measured at fair value through profit or loss (FVTPL)		
(a) Derivatives not designated in hedge accounting relationships		
Measured at amortised cost	17	2
	6,263	93,776

35.3 Financial risk management objectives

The Group 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 Group 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 Group's policies approved by the Board of Directors, which provide written principles on foreign exchange risk. The Group does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

35.4 Market Risk

The Group's financial instruments are exposed to market rate changes. The Group 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 Group's exposure to market risks or the manner in which these risks are being managed and measured.

35.5 Foreign Currency risk management

The Group 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 Group's foreign currency denominated monetary liabilities at the end of the reporting period.

	Liabilities as at (Amount in Lakhs)	
Currency	March 31, 2019	March 31, 2018
USD	5	2
EURO	2	0
JPY	-	31

Foreign currency forward contracts outstanding as at Balance Sheet date:

	Liabilities as at (Amount in Lakhs)	
Currency	March 31, 2019	March 31, 2018
USD	12	4
EURO	-	1

35.5.1Foreign Currency sensitivity analysis

The following table details the Group'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.

	USD - INR impact		EUR - INR impact		JPY - INR impact	
Particulars	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Profit or loss	33	10	12	2	-	2

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

35.6 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a mixed portfolio of fixed and variable rate loans and borrowings.

35.6.1 Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

(₹ in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Impact on profit & loss account	-	3

35.7 Other price risks

The Group is exposed to equity price risks arising from equity investments. Equity investments are held for strategic purposes. The Group doesn't actively trade these investments.

35.7.1 Equity Price Sensitivity Analysis

The sensitivity analysis 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 March 31, 2019	For the Year ended March 31, 2018
Impact on OCI	0.6	0.5

35.8 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group uses other publicly available financial information and its own trading records to review its major customers. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

35.9 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

35.9.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the 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, 2019

Particulars	Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount
Trade payables	5,787				5,787	5,787
Borrowings	-				-	-
Other financial liabilities	1,294				1,294	493

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018

Particulars	Less than 1 year	1-3 year	3 - 5 year	5+years	Total contractual cash flows	Carrying amount
Trade payables	93,491				93,491	93,491
Borrowings	329				329	329
Other financial liabilities	368				368	285

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

35.10 Fair value measurements

35.10.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of the reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique (s) and inputs used).

Particulars	Fair value hierarchy	As at March 31, 2019			As at March 31, 2018		
		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	2,563	-	-	40,128	-	-
- Cash and cash equivalents	Level 2	317	-	-	3,238	-	-
- Bank balances other than cash and cash equivalents	Level 2	512	-	-	674	-	-
- Investments in Mutual funds	Level 1	-	1,506		-	97	
- Investments in equity instruments	Level 3	-	-	57	-	-	48
- Other financial assets	Level 2	1,294	-	-	905	-	-

Particulars	Fair value hierarchy	As at March 31, 2019			As at March 31, 2018		
		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	-	-	-	329	-	-
Trade payables	Level 2	5,787	-	-	93,491	-	-
Other financial liabilities	Level 2	476	17	-	283	2	-

36. Segment revenues, results and other information

(₹ in Lakhs)

Particulars	March 31, 2019				March 31, 2018			
	IT Products & Technical Services	Distribution Services	Food Products	Total	IT Products & Technical Services	Distribution Services	Food Products	Total
Revenue from Operations								
External Sales	22,335	253,349	387	276,071	22,359	388,531	444	411,334
Less: Inter Segment Sales - Elimination	-	-	-	-	-	-	-	-
Net Revenue	22,335	253,349	387	276,071	22,359	388,531	444	411,334

(₹ in Lakhs)

Particulars	March 31, 2019				March 31, 2018			
	IT Products & Technical Services	Distribution Services	Food Products	Total	IT Products & Technical Services	Distribution Services	Food Products	Total
Segmentwise results before interest and tax and Exceptional items	983	620	(225)	1,378	737	1,261	(126)	1,872
Add: Interest Income	-	-		245	-	-		121
Add: Other unallocable Income	-			129	-			100
Less: Finance Costs	-	-		(41)	-	-		(142)
Less: other unallocable expense				(155)				
Profit before tax from ordinary activities before tax and exceptional items	-	-		1,556	-	-		1,951
Add / (less): Exceptional items	-	-		5	369	-		369
Profit from ordinary activities before tax and after exceptional items				1,561	-	-		2,320
Less: Tax expense				(678)	-	-		(820)
Profit After Tax				883	-	-		1,500
Segment Assets	13,749	441		14,190	10,289	88,138	420	98,847
Unallocated segment assets				2,282	-	-		4,721
Total Assets				16,472				103,568
Segment Liabilities	6,555	1,092		7,646	3,944	90,974	102	95,020
Unallocated segment liaibilities				128	-	-		329
Total Liabilities				7,774	3,944	90,974		95,349
Capital Expenditure	596	69		665	241	-		241
Segment depreciation/ amortisation	367	1		368	446	-		446
Non-cash expenses / (income) other than depreciation / amortisation	(72)	-		-	81	-		-

37. Employee benefit plans

A. Description of plans

"The Group makes contributions to both Defined Benefit and Defined Contribution Plans for qualifying employees. These Plans are administered through approved Trusts, which operate in accordance with the Trust Deeds, Rules and applicable statutes. The concerned Trusts are managed by Trustees who provide strategic guidance with regard to the management of their investments and liabilities and also periodically review their performance.

Provident Fund, Gratuity Benefits are funded and Leave Encashment Benefits are unfunded in nature.

Under the Provident Fund, Gratuity and Leave Encashment Schemes, employees are entitled to receive lump sum benefits. The liabilities arising in the Defined Benefit Schemes are determined in accordance with the advice of independent, professionally qualified actuaries, using the projected unit credit method at the year end. The Group makes regular contributions to these Employee Benefit Plans. Additional contributions are made to these plans as and when required based on actuarial valuation.

B. Defined benefit plans :

Gratuity -

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2019 by Mr.A D Gupta, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Group and the amount recognized in the Balance Sheet and Statement of Profit and Loss. The Group provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk : The plan exposes the Group 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 liabilty.

Demographic Risk : The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(₹ in Lakhs)

	Gratuity (Funded)	
	2018-19	2017-18
Present Value of obligations at the beginning of the year	296	250
Current service cost	43	42
Interest Cost	21	17
Acquistion / Diventitures / Adjustments	-	5
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	2	22
- Actuarial gains and losses arising from experience adjustment	-	-
Benefits paid	(29)	(40)
Present Value of obligations at the end of the year	333	296
Changes in the fair value of planned assets		
Fair value of plan assets at beginning of year	245	225
Interest Income	18	17

(₹ in Lakhs)

	Gratuity (Funded)	
	2018-19	2017-18
Return on plan assets	(1)	(11)
Acquistion / Diventitures / Adjustments	-	7
Other charges	(3)	(3)
Contributions from the employer	44	49
Benefits Paid	(29)	(40)
Fair Value of plan assets at the end of the year	274	244
Amounts recognized in the Balance Sheet		
Projected benefit obligation at the end of the year	333	296
Fair value of plan assets at end of the year	274	244
Funded status of the plans – Liability recognised in the balance sheet	59	52
Components of defined benefit cost recognised in profit or loss		
Current service cost	43	42
Net Interest Expense	2	-
Net Cost in Profit or Loss	45	42
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	2	22
- Actuarial gains and losses arising from experience adjustment	-	-
Return on plan assets	1	11
Net Cost in Other Comprehensive Income	3	33

Assumptions	March 31, 2019	March 31, 2018
Discount rate	7.10%	7.80%
Expected rate of salary increases	7.50%	7.50%
Expected rate of attrition	18.00% to 34.00%	10.00% to 25.00%
Average age of members	34.28	33.66
Average remaining working life	23.72	24.34
Mortality	(IALM (2012-2014) Ultimate)	

The Group 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 detemination 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, 2019	March 31, 2018
Discount rate		
- 1% increase	10	15
- 1% decrease	(10)	(13)
Salary growth rate		
- 1% increase	(7)	(11)
- 1% decrease	8	11

Please note that the sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

C. Long Term Compensated Absence

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows

Assumptions	2018-19	2017-18
Discount rate	7.10%	7.80%
Attrition Rate	18.00% to 34.00%	10.00% to 25.00%
Expected rate of salary increases	7.50%	7.50%

38. Share based payments

38.1 Employee share option plan of the Company

38.1.1 Details of the employee share option plans of the Group

Refer note 1 (14) for accounting policy on share-based payment.

The shareholders of the Group had approved Employee Stock Option scheme 2011, at previous annual general meetings which will be administered by the Nomination and Remuneration committee of the Board of Directors.

Each employee share option converts into one equity share of the Group on exercise. No amount in excess of face value of the share are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expire.

The following share-based payment arrangement were in existence during the current and prior years.

Description	Date of grant	Number of Options granted	Expiry date	Fair value on the date of grant as per Binomial option pricing model	Exercise price
Details of options granted					
	14.10.2015	150,000	31.03.2023	97.56	10.00
Total		150,000			

38.1.2 The following assumptions were used for calculation of fair valuation of grants in accordance with Binomial model:

Particulars	Vest I
Grant date share price	14-Oct-15
Exercise price (in ₹)	10.00
Expected volatility	58.1%
Expected life (years)	7.0
Dividend yield	0.00
Risk free interest rate	7.7%

The risk free interest rate are determined based on zero coupon sovereign bond yield with maturity equal to expected life of the option. Volatility calculation is based on historical stock price using the standard deviation daily change in stock price. The historical period is taken into account to match the expected life of the option. Dividend yield has been arrived based on the historical trend of dividend declaration by the Group as on valuation date.

38.1.3 Movements in share options during the year :

			Options (Numbers) 2018-19	Weighted Average exercise price per option (₹)	Options (Numbers) 2017-18	Weighted average exercise price per option (₹)
a	Balance at the beginning of the year	Options vested and exercisable	150,000	10.00	-	
		Options unvested	150,000	10.00	300,000	10.00
		Total	300,000	97.28	300,000	10.00
b	Options granted during the year		-	-	-	-
c	Options vested during the year		-	-	-	-
d	Options exercised during the year		-	-	-	-
e	Options lapsed/cancelled during the year		262,500	10.00	-	-
f	Options outstanding at the end of the year	Options vested and exercisable	37,500	10.00	-	-
		Options unvested	-	-	300,000	10.00
		Total (a+b-d-e)	37,500	10.00	300,000	10.00

Weighted Average remaining contractual life for option outstanding as at March 31, 2019 was nil (March 31, 2018: 2192 days)

38.1.4. Share options exercised during the year: Nil (2018 - Nil)

39. Non-controlling interests

Assumptions	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of year	(54)	(73)
Share of profit and other comprehensive income for the year	(102)	(114)
Other Consolidation adjustments	-	133
Less: Disposal of entire interest in subsidiary (refer note 4)	156	-
	-	(54)

Details of non-wholly owned erstwhile subsidiaries that have material non-controlling interests.

The table below shows details of non-wholly owned erstwhile subsidiaries of the Group that had material non-controlling interests:

Name of the Erstwhile Subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests.	
		March 22, 2019	March 31, 2018
Benani Foods Private Limited	India	45.59%	58.20%

40. Disposal of a subsidiary

On March 22, 2019, the Group disposed of Benani Foods Private Limited which carried out its entire Food Products operation.

(₹ in Lakhs)

40.1 Consideration	As at March 31, 2019
Sale consideration	163
Expenses related to sale	(14)
Net Sale consideration	149

(₹ in Lakhs)

40.2 Analysis of assets and liabilities over which control was lost	As at March 22, 2019
Current Assets	63
Non-current Assets (Including Goodwill on acquisition)	274
Current liabilities	(185)
Non-current Liabilities	(8)
Net assets disposed of	144

(₹ in Lakhs)

40.3 Loss on disposal of subsidiary	As at March 31, 2019
Sale Consideration	149
Less: Net assets disposed of	(144)
Gain on disposal	5

41. Percentage of contribution by Parent / Subsidiary

Name of the Entity	Net assets (Total assets less Total liabilities) As a % of Consolidated Net Assets		Amount in (₹ in Lakhs)		Share in Profit As a % Consolidated Net Profit		Amount in (₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
Parent :								
TVS Electronics limited	100%	102%	8,698	8,357	125%	113%	1,108	1,674
Subsidiary:								
Benani Foods Private Limited								
Share of Parent	100%	-1%	-	(84)	-13%	-5%	(117)	(81)
Non Controlling Interest	0%	-1%	-	(54)	-12%	-8%	(102)	(114)
Total	100%	100%	8,698	8,219	100%	100%	889	1,479

42. Approval of financial statements

The financial statements were approved for issue by the Board of Directors on May 11, 2019.

In terms of our report attached
For DELOITTE HASKINS & SELLS
Chartered Accountants

BHAVANI BALASUBRAMANIAN
Partner

Place: Chennai
Date: May 11, 2019

For and on behalf of the Board of Directors

GOPAL SRINIVASAN
(DIN : 00177699)
Chairman

SANTOSH KRISHNADASS
Company Secretary

SRILALITHA GOPAL
(DIN : 02329790)
Managing Director

KARTHI CHANDRAMOULI
Vice President - Finance & CFO

TVS Electronics Limited

Regd. Office: 249-A, Ambujammal Street, Off TTK Road, Alwarpet,Chennai - 600018
Ph.: +91-44-4200 5200 Fax : +91-44-22257577 CIN: L30007TN1995PLC032941, Website:www.tvs-e.in

NOTICE TO THE MEMBERS

NOTICE is hereby given that the Twenty fourth Annual General Meeting of the Company will be held at Sri Thyaga Brahma Gana Sabha (Vani Mahal), No.103, G N Chetty Road, T. Nagar, Chennai – 600 017 on Saturday, August 10, 2019 at 10.00 a.m. to transact the following business.

ORDINARY BUSINESS

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

   "RESOLVED THAT the following Audited Financial Statements and reports of the Company, for the financial year ended March 31, 2019, as circulated to the shareholders be and are hereby adopted:

   a. Standalone and Consolidated Financial Statements;

   b. Reports of the Auditors on the Standalone and Consolidated Financial Statements; and

   c. Report of the Board of Directors on the Standalone Financial Statement".

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

   "RESOLVED THAT dividend of ₹1.50 (Rupee One and Paise Fifty Only) per Equity Share, as recommended by the Board of Directors of the Company, be and is hereby declared on 1,86,12,818 Equity Shares of face value of ₹ 10/- each for the year ended March 31, 2019 and the same be paid to members whose names appear in the Register of Members of the Company and as per the record of the depositories as on August 3, 2019."

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

   "RESOLVED THAT Mr. R S Raghavan (DIN:00260912) Non-Executive Non-Independent Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company".

SPECIAL BUSINESS

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

   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 2019-20 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. Appointment of Mr. K Balakrishnan as an Independent 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 pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. K Balakrishnan (DIN:00722447), a Non-Executive Independent Director of the Company who was appointed by the Board of Directors on August 9, 2018, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years from August 9, 2018 to August 8, 2023.

6. Appointment of Dr. V Sumantran as an Independent 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 pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. V Sumantran (DIN: 02153989), a Non-Executive Independent Director of the Company who was appointed by the Board of Directors on August 9, 2018, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years from August 9, 2018 to August 8, 2023.

7. Appointment of Mrs. Subhasri Sriram as an Independent 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 pursuant to the provisions of sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mrs. Subhasri Sriram (DIN: 01998599), a Non-Executive Independent Director of the Company who was appointed by the Board of Directors on February 7, 2019, who has submitted a declaration that she meets the criteria for independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold office for a term of five consecutive years from February 7, 2019 to February 6, 2024.

By Order of the Board

SRILALITHA GOPAL
Managing Director
DIN: 02329790

Place: Chennai
Date: May 11, 2019

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

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a Member or Members as the case may be of the Company.
2. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company.
3. A member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy provided that such person shall not act as a Proxy for any other member.
4. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a certified copy of that Power of Attorney duly notarised or other authority shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting. Proxies/ authorisations submitted on behalf of the companies, LLPs, societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. During the period beginning 24 hours before the time fixed for commencement of AGM and ending with the conclusion of the AGM, a Member is entitled to inspect the Proxies lodged, at any time during the business hours of the Company
6. 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.
7. The Company does not have any unclaimed dividend amount which has fallen due for transfer to Investor Education and Protection Fund (IEPF).
8. The Members may note that on account of the amendment made to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI [LODR]2015), the Company shall not entertain the request for registration of physical transfer of shares on or after 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.
9. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / Depository Participants. Hard copies of the Annual Report will be sent on request. For members who have not registered their email IDs with the Company / Depository Participants, hard copy of the Annual Report is being sent.
10. Members holding shares in physical form are requested to notify immediately any change in their address/E-mail address to the Company/its Share Transfer Agents.
11. 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, will be 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.

12. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the meeting.
13. Members who have received the Annual Report in electronic mode and who intend to attend the meeting in person or through proxy are requested to bring a printed copy of the attendance slip to the meeting hall.
14. Members / Proxies attending the meeting should submit the duly signed attendance slip at the entrance of the Hall to attend the meeting.
15. Corporate members intending to send their authorised representatives to attend the Meeting 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.
16. Members of the Company had approved the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, as the Statutory Auditors at the Twenty Second AGM of the Company for a period of five years. In accordance with the Companies (Amendment) Act, 2017, effective 7th May, 2018 by Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every AGM.
17. The Notice of the Annual General Meeting and the Annual Report will be available on the Company's website www.tvs-e.in. All relevant documents referred to in the accompanying Notice will be open for inspection at the Registered Office of the Company between 2.00 pm and 4.00 pm on all working days till 9th August, 2019.
18. As per the provisions of Companies Act, 2013, nomination facility is available for members holding shares in physical form. The nomination forms can be obtained from the Company's Share Transfer Agents. In respect of members holding shares in electronic form, the forms may be obtained from the Depository Participant with whom they are maintaining their demat account.
19. The Securities and Exchange Board of India (SEBI) vide its circular dated 20th April, 2018 has mandated registration of Permanent Account Number (PAN) and Bank Account Details for all securities holders. Members holding shares in physical form are therefore, requested to submit their PAN and Bank Account Details to Company's Share Transfer Agents by sending a duly signed letter along with self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member printed on it. In alternative Members are requested to submit a copy of bank passbook / statement attested by the bank. Members holding shares in demat form are requested to submit the aforesaid information to their respective Depository Participant.
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 24th Annual General Meeting.
    (b) Voting rights will be reckoned on the basis of the number of shares registered in the names of the members / beneficial owners as on the cut-off date fixed for this purpose, viz., Saturday, August 3, 2019. 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 physical ballot process in the Annual General Meeting in a fair and transparent manner.
    (d) The instructions for remote e-voting are as under:

    Shareholders who become Members of the Company, after despatch of Notice and hold shares as on August 3, 2019 may obtain the User ID and Password for e-voting by sending an e-mail, intimating DP ID and Client ID / Folio No. to raman@scl.co.in or Member may send an e-mail request to evoting@nsdl.co.in or can vote through Ballot Paper distributed at the venue of AGM.

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

    i. Open e-mail and then Open PDF file viz., "TVS Electronics Limited – 24th AGM e-voting.pdf" with the Client ID or Folio number as password. The PDF file contains the User ID and Password for e-voting. Please note that the password is an initial password which requires to be changed when the password change menu appears.
    ii. Open your web browser during the voting period and log on to the e-voting website www.evoting.nsdl.com
    iii. Click on Shareholder – Login
    iv. Enter User ID and Password as initial password noted in step (i) above. Click Login.
    v. Password change menu appears. Change the password with new password with minimum 8 digits / characters or combination thereof. Please note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
    vi. Home page of e-voting opens. Go to "e-voting" icon and select "Active E-Voting Cycles".
    vii. Select "EVEN" of TVS Electronics Limited

viii. Cast your vote and select “Submit” and “Confirm” when prompted.

ix. Upon confirmation, the message “Vote cast successfully” will be displayed.

x. Once the member has voted on the resolution, such member will not be allowed to modify their vote, subsequently.

xi. 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.com and kr.raman@scl.co.in.

(e) In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com or contact NSDL at 022-24994600.

(f) If members are already registered with NSDL for e-voting, then they can use their existing user ID and password for casting the vote.

(g) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(h) For members who received the notice of Annual General Meeting in physical form, initial password is provided in the Attendance Slip. Members are requested to follow instruction given in Sl. No.(i) to (ix).

(i) The remote e-voting period commences on Wednesday, 7th August 2019 at 10.00 am and ends on Friday, 9th August, 2019 at 5.00 pm. During this period, members holding shares as on Saturday, August 3, 2019 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 3rd August, 2019 shall only be entitled for availing the Remote E-Voting facility.

(j) The members attending the meeting who have not already cast their vote through remote e-voting, shall be able to exercise their voting rights at the meeting. For such members, physical ballot will be provided by the Company at 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 at 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.

(k) The Scrutinizer will submit his report on the remote e-voting and voting at the meeting to the Chairman or Company Secretary or any other authorised Director, who will declare the result of the voting within 48 hours from the conclusion of the Annual General Meeting.

(l) 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.

(m) In case of any queries, members may contact the Company at investorservices@tvs-e.in, or sclshares@gmail.com.

21. The profile of Directors seeking appointment forms integral part of the Notice. The Directors have furnished the requisite consent and declarations.

By Order of the Board

SRILALITHA GOPAL
Managing Director
DIN: 02329790

Place: Chennai
Date: May 11, 2019

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

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

Item 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on May 11, 2019, 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 2019-20. 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 his appointment and the remuneration as set out in the resolution.

Item 5 & 6

In order to further strengthen the Board of Directors with diverse experience to help the Company in its strategic initiatives, the Board of Directors based on the recommendation from Nomination and Remuneration Committee, at its meeting held on August 9, 2018, approved the appointment of the following Non Executive Independent Directors;

1. Mr. K Balakrishnan (DIN 00722447)
2. Dr. V Sumantran (DIN 02153989)

In accordance with Section 149, 150 and 152 and any other applicable provisions if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, the Company has received Consent Letters from Mr. K Balakrishnan and Dr. V Sumantran Independent Directors to act as Directors of the Company and the declaration of Independence, as required under Section 149(6) of the Companies Act, 2013. and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company now seeks the approval from the shareholders for the appointment of the proposed Independent Directors at Annual General Meeting of the Company not liable to retire by rotation, to hold office for a term of five consecutive years from August 9, 2018 to August 8, 2023.

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for the appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of this Annual General Meeting and is also available on the website of the Company www.tvs-e.in.

Profiles of Independent Directors:

1. Mr. K Balakrishnan is currently the Co-Founder and CEO of a SaaS platform start-up Autonom8. Prior to this he was the Co-Founder, MD & CEO of Servion Global Solutions - a global Customer Experience Management (CEM) specialist. He continues to be on the Board of Servion. Mr. K Balakrishnan brings with him over 20 years of experience in the Customer interaction Management (CIM) domain, with specialized expertise in Telecom and IT.

   He is an industry thought leader, having been associated with numerous large enterprises in the conceptualization and design of their Customer Experience Management Programs. He played a key role in the founding of Custommerce Service Excellence Foundation, a non-profit platform focused in improving customer service excellence in the country.

   During the first decade of his career, Mr. K Balakrishnan wore many managerial hats in senior Product management / sales Positions. He worked for large Indian companies such as TVS Electronics and Max India, driving their account and channel management programs.

Mr. K Balakrishnan is also associated with several start-ups in the country and is currently on the Board of LaunchPad- the start-up accelerator program of Cisco.

Mr. K Balakrishnan holds a Bachelor's Degree in Electronics and Communication from National Institute of Technology at Surathkal (India).

2. Dr. V Sumantran is Chairman of Celeris Technologies and an advisor to several Fortune-100 organizations in autos, industrial equipment, defence, and aerospace. Dr. V Sumantran has also served as Special Advisor to Mr Carlos Ghosn, Chairman Renault-Nisan-Mitsubishi Alliance on alliance and global strategy. He is the co-author of the book 'Faster, Smarter, Greener: the Future of the Car and Urban Mobility' (www.fastersmartergreener.com) published by the MIT Press in 2017.

   He was Executive Vice-Chairman of Hinduja Automotive, UK, the auto and manufacturing sector holding company of the Hinduja Group, as well as Vice Chairman of Ashok Leyland. Prior to this (2001-2005), he was the chief executive officer of TATA Motors' Car business in its formative years, reporting to Mr Ratan Tata. He led this business from a tentative start to become India's 2nd largest car manufacturer. Prior to joining TATAs, Dr. V Sumantran had a 16-year career with General Motors with their R&D operations in Detroit and subsequently served on deputation in Europe as Director-R&D at GM-Europe.

   Dr. V 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 was a member of the National Manufacturing Competiveness Council and served as Chairman, National Defence Council of the Confederation of Indian Industry until 2013. He was President, Automotive Research Association of India (the national vehicle testing and homologating authority) and Co-Chairman of the Engineering Services Division of NASSCOM – India's industry body for software and engineering. He was nominated as Distinguished Visiting Professor of the Indian Institute of Technology, Madras and serves as Adjunct Professor at MIT-MISI.

   Dr. V Sumantran possesses a Doctorate degree in Aerospace Engineering (Princeton & Virginia Tech) and a Master's degree in Management of Technology. He is a Distinguished Alumnus of the Indian Institute of Technology, Madras. He is a Fellow of the Indian National Academy of Engineers and a Fellow of the Society of Automotive Engineers (SAE) International. He served on the Board of SAE International and was Editor, SAE Transactions between 1994 and 2000.

   None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in these Resolutions.

   The information of Directors proposed in the resolutions are furnished in Annexure A.

   The Board recommends the Ordinary Resolution set out at Item no. 5&6 for the approval of Members.

Item 7

In order to further strengthen the Board of Directors with diverse experience to help the Company in its strategic initiatives, the Board of Directors based on the recommendation from Nomination and Remuneration Committee, at its meeting held on February 7, 2019, approved the appointment of Mrs. Subhasri Sriram as Non-Executive Independent Director for a period of 5 years from February 7, 2019 upto February 6, 2024.

In accordance with Section 149, 150 and 152 and any other applicable provisions if any, of the Companies Act, 2013 (Act) and the Rules framed thereunder, read with Schedule IV to the Act, the Company has received Consent Letter from Mrs. Subhasri Sriram Independent Director to act as Director of the Company and the declaration of Independence, as required under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Profile of Mrs. Subhasri Sriram:

Mrs. Subhasri Sriram has over 25 years of professional experience, including 19 years in the Shriram Group's Financial Services businesses. She is currently the Director on the Board of Take Solutions Ltd (as ED and CFO) and previously served as ED & CFO of Shriram City Union Finance Limited.

She has handled many critical assignments related to implementing new organizational structures, improving business processes, raising several rounds of equity from marquee investors across the globe and in raising external commercial borrowings.

She has won the "Best Performing CFO in the NBFC Sector" for 2013 at the 8^{th} edition of the awards instituted by a leading business television channel CNBC TV18 and in 2016, she was also chosen as one of the most influential CFOs in India by CIMA.

Mrs. Subhasri Sriram is a Fellow Member of the Institute of Cost and Management Accountants of India and Institute of Company Secretaries of India.

Her appointment shall further strengthen the Board and also the Company shall comply with the provisions of Act and SEBI (LODR) Regulations, 2015 in regards to composition of Board of Directors by having at least half of the Board of Directors as Independent Directors.

The composition of the Board of Directors as on the date of this notice are as follows;

Non Independent Directors	Independent Directors
Mr. Gopal Srinivasan	Mr. M F Farooqui
Mrs. Srilalitha Gopal	Mr. M Lakshminarayan
Mr. D Sundaram	Mr. K Balakrishnan
Mr. R S Raghavan	Dr. V Sumantran
	Mrs. Subhasri Sriram

A copy of the draft letter of appointment for Independent Directors, setting out the terms and conditions for the appointment of Independent Directors is available for inspection by the Members at the registered office of the Company during business hours on any working day up to the date of this Annual General Meeting and is also available on the website of the Company www.tvs-e.in.

None of the Directors or Key Managerial Personnel and their relatives, are concerned or interested (financially or otherwise) in this Resolution.

The information of Director proposed in the resolution are furnished in Annexure A.

The Board recommends the Ordinary Resolution set out at Item no. 7 for the approval of Members.

By Order of the Board

SRILALITHA GOPAL
Managing Director
DIN: 02329790

Place: Chennai
Date: May 11, 2019

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

Annexure A to the Explanatory Statement: Encl

Name of Director	Mr R S Raghavan	Mr. K Balakrishnan	Dr. V Sumantran	Mrs Subhasri Sriram
DIN	00260912	00722447	02153989	01998599
Age	64 Years	55 Years	61 Years	50 Years
Qualification	Chartered Accountant, Cost Accountant and Company Secretary	Bachelor's Degree in Elec-tronics and Communication from National Institute of Technology at Surathkal (India).	Doctorate degree in Aer-ospace Engineering (Princeton & Virginia Tech) and a Master’s degree in Management of Technology	Cost Accountant and Company Secretary. Alumnus of the Indian Institute of Technology, Madras
Experience and exper-tise	Finance professional with more than 35 years’ expe-rience in the manufactur-ing and financial services industry.	20 years of experience in the Customer interaction Management (CIM) do-main, with specialized ex-pertise in Telecom and IT.	Advisor to several for-tune 100 organisations in autos, industrial equip-ment, defence and aero-space.	25 years of professional experience, including 19 years in the Shriram Group’s Financial Services businesses.
Remuneration	Entitled to Sitting Fee only	Entitled to Sitting Fee only	Entitled to Sitting Fee only	Entitled to Sitting Fee only
Date of first Appoint-ment on the Board of the Company	May 4, 2016	August 9, 2018	August 9, 2018	February 7, 2019
Shareholding in TVS Electronics Limited	Nil	Nil	Nil	Nil
Remuneration last drawn	Refer to Report on Corpo-rate Governance.	Refer to Report on Corpo-rate Governance.	Refer to Report on Cor-porate Governance.	Refer to Report on Cor-porate Governance.
Number of Meetings of the Board attended during the year	4 out of 4	3 out of 3	2 out of 3	1 out of 1
List of Directorship held in other listed companies	NIL	NIL	UCAL fuel systems lim-ited - Independent Direc-tor Rane Holdings Limited - Independent Director	TAKE Solutions Limited - ED & CFO
Membership / Chair-manship in Committees of other listed compa-nies as on date	NIL	NIL	UCAL fuel systems lim-ited- Audit Committee and NRC-Member Rane Holdings Limited- Audit Committee and NRC-Member	NIL

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TVS ELECTRONICS LIMITED

Administrative Office

Arihant E-Park, No 117/1, 8th & 9th Floor, L B Road, Adyar, Chennai 600 020
www.tvs-e.in | Email: sales-support@tvs-e.in

Registered Office:

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