

Moving Up in the Right Direction



20th
ANNUAL REPORT
2014 - 2015



PIONEERING EXPERT SOLUTIONS



• Widespread Network • Diverse Services • Matchless Trust



**ONSITE
SERVICES**



1000+ FEET
ON STREET



13 BRANCH
OFFICES



**WALK-IN
SERVICES**



200+
AUTHORIZED
PARTNERS



50+ EXCLUSIVE
STORES FOR
MULTIPLE BRANDS



**REPAIR,
REFURBISHMENT &
RESELL SERVICES**



15 REPAIR
CENTRES



5 REPAIR
FACILITIES



**SUPPLY CHAIN
MANAGEMENT
SERVICES**



14 WAREHOUSES



PUDO &
REVERSE
LOGISTICS



**E-AUCTION
SERVICES
FORWARD & REVERSE**



END OF LIFE
MANAGEMENT



AUCTION
SUCCESS RATE
>94%

We are transcending traditional roles, creating amazing value for existing and prospective partnerships. Our team of experts deliver top-notch solutions that exceed expectations, using revolutionary technology that is constantly evolving. Strong adherence to core values and an iron will to satisfy customers inspires unstinting loyalty from them.

Corporate Information

Board of Directors

Gopal Srinivasan	Chairman
K E Ranganathan	Managing Director
Srilalitha Gopal	
D Sundaram	
R Ramaraj	
Kenneth Tai	
Praveen Chakravarty	
H Lakshmanan (upto 30 th September, 2014)	
Nagendra Palte (from 30 th September, 2014)	
M Lakshminarayan (from 6 th May, 2015)	
M F Farooqui (from 6 th May, 2015)	
Narayan K Seshadri (from 6 th May, 2015)	

Committees of the Board

Audit Committee

Praveen Chakravarty	Chairman
D Sundaram	
R Ramaraj	
Nagendra Palte	

Stakeholders' Relationship Committee

R Ramaraj	Chairman
D Sundaram	
Praveen Chakravarty	

Nomination and Remuneration Committee

R Ramaraj	Chairman
Praveen Chakravarty	
Gopal Srinivasan	
D Sundaram	

Company Secretary & Compliance Officer

S Nagalakshmi

Statutory Auditors

Sundaram & Srinivasan, Chartered Accountants,
New No. 4, C.P. Ramaswamy Road,
Alwarpet, Chennai - 600 018

Secretarial Auditors

S. Krishnamurthy & Co.,
Practising Company Secretaries,
"Shobana", 17, Nandanam Main Road,
Nandanam Extension, Chennai - 600 035.

Cost Auditor

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

Bankers

State Bank of Mysore, State Bank of Travancore
Canara Bank, DCB Bank Limited

Website

www.tvs-e.in

Investor E-mail ID

Investorservices@tvs-e.in

Corporate Identity Number

L30007TN1995PLC032941

Registered Office

"Jayalakshmi Estates"
29, Haddows Road, Chennai - 600 006
Tel: 91-44-28277155.
Email ID: webmaster@tvs-e.in

Administrative Office

South Phase-7A, Second Floor
Industrial Estate, Guindy, Chennai - 600 032
Tel:91-44-4200 5200. Fax No: 91-44-2225 7577

Plant Locations

Oragadam

Plot No 0Z-11/2, Hi-Tech SEZ, SIPCOT,
Oragadam, Sriperumpudur Taluk,
Kancheepuram District -602 105

Uttarkhand

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

Repair Factory locations:

New Delhi

168, Naraina Phase-1, New Delhi 110028

Noida

1. A-3, CDR Complex 2nd Floor,
Naya Bans, Noida, Uttar Pradesh - 201301
2. C-22, Sector -2, Gautam Budh Nagar,
Noida, Uttar Pradesh 201301

Kattupakkam

2/297, D R R Avenue, AUDCO Nagar,
Kattupakkam, Chennai - 600 056

Share Transfer Agents

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: investorservices@tvs-e.in
kr.raman@scl.co.in

Shares Listed at

BSE Limited
National Stock Exchange of India Limited

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Financial Highlights - Ten Years at a glance

₹ in Lakhs

Sl. No.	Particulars	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1.	PROFIT AND LOSS ACCOUNT										
	Revenue from operations	25,950	27,242	20,764	19,067	19,040	18,162	21,661	23,525	24,742	27,006
	Other Income	623	472	765	473	407	199	375	250	220	97
	Total Income	26,573	27,714	21,529	19,540	19,447	18,361	22,036	23,775	24,962	27,103
	Earnings before interest Depreciation and Tax (EBITDA)	1,631	1,652	2,615	439	666	1,083	1,303	1,080	1,375	1,706
	Depreciation	743	702	522	476	449	396	504	619	566	697
	Profit before Interest and Tax (EBIT)	888	950	2,093	(37)	217	686	799	461	809	1,009
	Finance costs	600	764	603	522	721	623	659	965	743	692
	PBT	288	186	1,490	(559)	(504)	64	141	(504)	66	317
	Tax Expense	(27)	-	380	211	(161)	(90)	1	297	26	88
	PAT	315	186	1,110	(770)	(343)	154	140	(801)	40	229
2.	BALANCE SHEET										
	Share Capital	1,767	1,767	1,767	1,767	1,767	1,767	1,787	1,787	1,802	1,802
	Reserves & Surplus	2,354	2,371	3,296	2,523	2,176	2,324	2,464	1,664	1,749	1,969
	Networth	4,121	4,138	5,063	4,290	3,943	4,091	4,251	3,451	3,551	3,771
	Loan Funds	8,860	8,909	4,538	5,738	6,133	4,498	6,608	6,518	5,796	5,330
	Capital Employed	12,981	13,047	9,601	10,028	10,076	8,589	10,859	9,969	9,347	9,101
	Deferred Tax Liability	298	197	158	202	184	81	48	345	385	376
	Total	13,279	13,244	9,759	10,230	10,260	8,670	10,907	10,314	9,732	9,477
	Net Fixed Assets	3,864	3,397	2,393	2,422	2,135	1,685	4,929	4,651	4,489	4,073
	Investments	1,642	1,692	626	1,501	1,501	2,551	811	214	134	134
	Current Assets	12,815	13,090	10,596	10,828	9,827	7,526	9,445	9,261	8,735	10,025
	Current Liability & Provision	5,042	4,935	3,856	4,521	3,203	3,091	4,278	3,812	3,626	4,755
	Net Current Assets	7,773	8,155	6,740	6,307	6,624	4,434	5,167	5,449	5,109	5,270
	Total	13,279	13,244	9,759	10,230	10,260	8,670	10,907	10,314	9,732	9,477
3.	RATIOS										
	EPS (Rs)	1.8	1.1	6.3	(4.4)	(2.0)	0.9	0.8	(4.5)	0.2	1.3
	Dividend (%)	7.5	7.5	10.0	-	-	-	-	-	-	-
	Book Value per Share (Rs)	23	23	29	24	22	23	24	19	20	21
	Return on Capital Employed (ROCE %)	6.8%	7.3%	21.8%	(0.4)%	2.2%	8.0%	7.4%	4.6%	8.7%	11.1%
	Return on networth (RONW %)	7.7%	4.5%	21.9%	(18)%	(8.7)%	3.8%	3.3%	-23.2%	1.13%	6.07%
	Fixed Asset Turnover Ratio	5.5	7.5	7.2	7.9	8.4	9.5	6.6	4.9	5.4	6.3
	Working Capital Turnover Ratio	4.5	3.4	2.8	2.9	2.9	3.3	4.5	4.4	4.7	5.2
	Debt Equity Ratio	2.1	2.2	0.9	1.3	1.6	1.1	1.6	1.9	1.6	1.4
	EBITDA as % of Sales	6.3%	6.1%	12.6%	2.3%	3.5%	6.0%	6.0%	4.6%	5.6%	6.3%
	EBIT as % of Sales	3.4%	3.5%	10.1%	(0.2)%	1.1%	3.8%	3.7%	2.0%	3.3%	3.7%
	Net profit as % of Total Income	1.2%	0.7%	5.2%	(3.9)%	(1.8)%	0.8%	0.6%	-3.4%	0.2%	0.8%
	R&D (Revenue and Capital) Expenditure as a % of Total Income	1.7%	1.3%	1.5%	1.9%	1.1%	0.7%	0.5%	0.4%	0.4%	0.4%
	R&D (Revenue and Capital) Expenditure	442	371	317	364	204	137	117	102	94	113

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 Rs 1,560 lakhs arising out of sale of business and sale of property.

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

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

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.

The financial results have been regrouped/reclassified wherever necessary as per the requirements of revised Schedule VI.

Notice to the Members

NOTICE is hereby given that the Twentieth 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 Thursday, 6th August, 2015 at 3.15 PM to transact the following business.

ORDINARY BUSINESS

1. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the following financial statements and reports of the Company, for the financial year ended 31st March, 2015, as circulated to the shareholders be and are hereby adopted:

- a. Standalone Audited Financial Statement;
 - b. Reports of the Board of Directors and Auditors on the Standalone Audited Financial Statement; and
 - c. Consolidated Audited Financial Statement”.
2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. D Sundaram (DIN:00016304) Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company”.

3. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, (Firm Registration No.004207S) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, for the second year in the transitional period of three years, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Narayan K Seshadri, Director (DIN: 00053563), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th May, 2015, in terms of Section 161 of the Companies Act, 2013 and who holds such office upto the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, who will be subject to retirement by rotation”.

By Order of the Board

Chennai
6th May, 2015

S. Nagalakshmi
Company Secretary

Registered Office:
“Jayalakshmi Estates”
29, Haddows Road, Chennai - 600 006

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

Notice to the Members (Contd.)

meeting. Proxies/ authorisations submitted on behalf of the companies, LLPs, societies etc., must be supported by an appropriate resolution/authority, as applicable.

5. The statement pursuant to Section 102 of the Companies Act, 2013 setting out of material facts concerning the item of special business specified above is annexed hereto.
6. The Register of Members and the share transfer register of the Company will remain **closed from Monday, 3rd August, 2015 to Thursday, 6th August 2015**, both days inclusive.
7. In terms of Section 124 of the Companies Act, 2013, the unpaid dividend for the year 2007-08, which remains unclaimed as on 3rd October 2015 will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.

A separate reminder was also sent during the last year, to those members having unclaimed dividends lying with the Company. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company will upload the details of unpaid and unclaimed amounts every year on the Company's website and the details are also available in the website of the Ministry of Corporate Affairs.

8. 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 and the Notice of the Annual General Meeting of the Company

together with the attendance slip and Proxy Form 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, physical copies of the above documents are being sent in the permitted mode.

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. Members holding shares in electronic form are requested to advice change of address/ E-mail address to their Depository Participants.
11. 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.
12. 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.
13. Members / Proxies attending the meeting should submit the duly signed attendance slip at the entrance of the Hall to attend the meeting.
14. 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.
15. Members may note that the Notice of the Annual General Meeting and the Annual Report will be available on the Company's website www.tvs-e.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal working hours between 2 pm and 4 pm on working days. Members are also entitled to receive the physical copy upon making a specific request.

Notice to the Members (Contd.)

16. As per the provisions of Companies Act, 2013, nomination facility is available for members. The nomination forms can be obtained from the Company's Share Transfer Agents by the members holding shares in physical form. 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.
17. **Remote e-voting facility:**
 - (a) In compliance with Clause 35B of Listing Agreement and the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company offers voting by electronic means through remote e-voting services provided by National Securities Depository Limited (NSDL).
 - (b) **Voting rights** are reckoned on the basis of the shares registered in the names of the members / beneficial owners **as on the record date** fixed for this purpose, viz., **July 31, 2015**.
 - (c) The Company has appointed Mr. K. Sriram 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 :**

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 – 20th 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

Notice to the Members (Contd.)

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 (xi). Shareholders who do not have access to e-voting facility will be provided with physical ballot on request to enable them exercise their vote.**
- (i) **The remote e-voting period commences on August 3, 2015 (9.00 am) and ends on August 5, 2015 (5.00 pm).** During this period, members holding shares as on July 31, 2015, may cast their votes electronically. Thereafter, the 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.
- (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. 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
- (k) The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through physical ballot at the meeting, shall within a period of not exceeding 48 hours from the conclusion of the Annual General Meeting, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and prepare a Scrutinizer's Report and submit the report to the Chairman of the Company.

- (l) The Scrutinizer's Report will be posted on the Company's website www.tvs-e.in and on the website of the NSDL within two days of passing of the resolutions at the AGM and communicated to the stock exchanges.
- (m) All relevant documents referred to in the accompanying Notice and Statement of material facts will be open for inspection at the Registered office of the Company **between 2.00 pm and 4.00 pm** upto and including the date of the AGM.
- (n) In case of any queries, members may contact the Company at investorservices@tvs-e.in, or scshares@gmail.com

18. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite consent and declarations for their appointment/re-appointment.

Mr. D Sundaram

Mr. D Sundaram is a Fellow Member of the Institute of Cost Accountants of India and a Post Graduate in Management Studies. He has done Advanced Management Programme at Harvard Business School. Mr. D Sundaram has handled various assignments in his career in Unilever both in India (HUL) and in London (Unilever, plc). He was the Sr. Vice President for Finance and IT at London for South Asia, Middle East and North Africa between 1996 to 1999 and came back to India to be the Finance Director / CFO from 1999 to 2009.

He retired as the Vice Chairman and CFO of Hindustan Unilever Limited in July 2009 and took over the position of Vice Chairman and Managing Director in TVS Capital Funds Limited. He was awarded the prestigious "CFO of the Year" Award for FMCG sector by CNBC TV 18 twice in 2006 and 2009.

Mr. D Sundaram does not hold any Equity Shares in the Company. He is not related to any Director of the Company.

Notice to the Members (Contd.)

The other directorships and memberships of committees held by Mr. D Sundaram are provided hereunder:

S. No.	Name of the Company	Nature of interest	Committee Memberships/ Chairmanships
1.	TVS Capital Funds Limited	Vice Chairman & Managing Director	-
2.	Glaxo Smithkline Pharmaceuticals Limited	Director	Audit Committee, Chairman
3.	Westland Limited	Director	-
4.	SBI General Insurance Company Limited	Director	-
5.	Trent Hypermarket Limited	Director	-
6.	Institute of Financial Management & Research (IFMR)	Member-Board of Governors	-
7.	Nine Dot Nine Mediaworx Private Limited	Director	-
8.	Medfort Hospitals Private Limited	Director	-
9.	Maxivision Laser Centre Private Limited	Director	-

Mr. Narayan K Seshadri

Mr. Narayan K Seshadri is the founder of Tranzmute Capital & Management Private Limited established with the objective of working with 1st generation entrepreneurs and family businesses to enable rapid growth in their businesses by providing new ideas, management and capital. Earlier he had founded Halcyon Resources & Management that had Partnered with a US investment management group and established a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth. Mr. Narayan K Seshadri has led several such investments in Financial, Retail, Contract Research & Manufacturing, Textiles, Paper and Lifestyle marketing.

Prior to establishing Halcyon, Mr. Narayan K Seshadri was the Managing Partner at KPMG's Business Advisory Services Practice which he helped turnaround and rebuild. Before KPMG, Mr. Narayan K Seshadri led Arthur Andersen's Business Consulting Practice in India as part of Andersen's India leadership team. He personally built

this practice to achieve a leadership position in the Consulting space.

Mr. Narayan K Seshadri was also a member on Andersen's global CEO advisory council, the first and only Indian partner to hold such a position. Mr. Narayan K Seshadri has worked in the UK, Middle East and India and helped on various global initiatives and engagements during his consulting career. Besides the industry sectors that he currently works with, Mr. Narayan K Seshadri has advised the Power, Banking & Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT & ITES Sectors at different levels - from policy formulation to corporate strategy, restructuring and organization transformation.

Mr. Narayan K Seshadri is a Chartered Accountant by profession with over thirty three years of professional experience.

M/s. Tranzmute Business Advisory LLP, in which Mr. Narayan K Seshadri is a Partner, holds 3,50,000 Equity Shares representing 1.94% of the paid-up capital in the Company. He is not related to any Director of the Company.

Notice to the Members (Contd.)

The other directorships and memberships of committees held by Mr. Narayan K Seshadri are provided hereunder:

S. No.	Name of the Company	Nature of interest	Committee Memberships / Chairmanships
1	PI Industries Limited	Director & Member	1. Managing Committee, Member 2. Audit Committee, Chairman 3. Nomination and Remuneration Committee, Member 4. Compensation Committee, Chairman
2	Magma Fincorp Limited	Director	1. Audit Committee, Chairman 2. Nomination and Remuneration Committee, Member 3. Investment Committee, Member
3	Kalpataru Power Transmission Limited	Director	1. Risk Management Committee, Chairman 2. Audit Committee, Member
4	Wabco India Limited	Director	1. Audit Committee, Chairman 2. Nomination and Remuneration Committee, Chairman
5	AstraZeneca Pharma India Limited	Director	1. Remuneration Committee, Chairman
6	SBI Capital Markets Limited	Director	1. Committee of Directors, Member 2. Audit Committee, Chairman 3. HR Committee, Chairman 4. Risk Management Committee, Chairman 5. Nomination and Remuneration Committee, Chairman 6. Corporate Social Responsibility Committee, Chairman
7	Radiant Life Care Private Limited	Director	-
8	IRIS Business Services Limited	Chairman	1. Audit Committee, Member
9	International Asset Reconstruction Co. Pvt. Ltd.	Director	1. Audit Committee, Member 2. Asset Acquisition and Reconstruction Committee, Member
10	Halcyon Resources & Management Private Limited	Director & Member	-
11	Halcyon Enterprises Private Limited	Director & Member	-
12	A2O Software India Private Limited	Director & Member	-
13	Tranzmute Capital & Management Private Limited	Director & Member	-
14	Sundaram Investment Limited	Director	-
15	Rajasthan Leasing Private Limited	Member	-

By Order of the Board

S. Nagalakshmi
Company Secretary

Chennai

6th May, 2015

Registered Office:

"Jayalakshmi Estates"

29, Haddows Road,

Chennai - 600 006



Notice to the Members (Contd.)

Statement of material facts pursuant to Section 102 of the Companies Act, 2013

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

Item 4

Mr. Narayan K Seshadri was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th May, 2015. In terms of Section 161(1) of the Companies Act, 2013, he holds office as Director upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

Notice under Section 160 of the Companies Act, 2013 has been received from a member intending to propose

the appointment of Mr. Narayan K Seshadri as a Director at the ensuing Annual General Meeting.

His brief resume together with other details as required under Clause 49 of the Listing Agreement forms part of the Notice annexed hereto. He does not hold any shares in the Company. Board recommends the resolution for members' approval.

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

By Order of the Board

S. Nagalakshmi
Company Secretary

Chennai
6th May, 2015

Registered Office:
"Jayalakshmi Estates"
29, Haddows Road
Chennai - 600 006

Board's Report to the Members

The Board of Directors present their Twentieth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2015.

Financial Results

The highlights of the financial performance of the Company are as follows:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Sales and other income	27,103	24,962
Earnings Before Interest & Tax (EBIT)	985	872
Profit/ (Loss) Before Tax (PBT) before exceptional items	293	130
Exceptional items / extraordinary items	24	64
Profit / (Loss) Before Tax	317	66
Profit / (Loss) After Tax (PAT)	229	40
Add: Brought forward from previous year	(32)	(72)
Total available for appropriations	197	(32)
Surplus / (Deficit) in Profit and Loss account	197	(32)

Business results and key highlights of operations

For the year ended 31st March, 2015, the Company reported Sales Revenue and Other Income of Rs. 271.03 Cr as against Rs.249.62 Cr in the previous year. Sales include Rs.94.10 Cr from Services business (Previous year Rs. 69.34 Cr).

During the year, the market for Dot Matrix Printers (DMP) declined due to continued consumer preference for laser printers and the latter's cost benefits over DMP. However, the Company managed to contain the adverse impact of this on its operations by ramping up its services business.

The market for DMP shrunk by 12% year on year in terms of volume. The Company could marginally improve its market share. However, the revenue drop in the DMP

business was compensated by improving the 'Point of Sales' (POS) business. The POS business grew by reaching out to various segments of customers, expanding coverage and by providing customer centric solutions.

The Services business recorded a robust growth of over 36% in revenue terms. This was achieved through multiple strategies ranging from (i) expanding the retail footprint for reputed brands, (ii) setting up additional repair & refurbishment factories for mobile phones and (iii) commencing management services for large format service outlets. During the year, the services business added reputed multi-national brands to its client base.

The Company continued its focus on reengineering service delivery processes by introducing new initiatives which led to substantial improvement in the turnaround time (TAT), customer satisfaction score (C-Sat) and parts efficiency index (PEI). Apart from this, a sharper focus on cost management through productivity enhancement initiatives helped the Company improve its financials.

Growing the business

It is expected that the DMP category will continue its decline in the years to come due to a shift in consumer preferences and high costs. Growth for the Company is expected to be driven by POS products which has greater acceptance and demand in the market. There is a great scope for several innovative products in the payment and transaction processing segment for different applications and the Company will continue to explore opportunities and grow aggressively in this new segment.

In the Services business, the Company will focus on serving the Tier-2 & Tier-3 customers under the B2B model by leveraging partner support. As the Company finds a good opportunity in extending its services directly to customers, it will soon start offering customer-centric repair services through multi-brand service outlets. The Company will also take on the role of a Supply chain service provider, Re-seller, Extended warranty provider and remote support provider by using its delivery capability. In order to maximize business opportunities, the Company has decided to enter into agreements with mobile manufacturers / wholesale distributors with a view to enhance the revenue streams.

MANAGEMENT DISCUSSION AND ANALYSIS

As required under Clause 49 of the Listing Agreement, a detailed Report on Management Discussions and Analysis is given below:

The Industry and Trends - Macro Economic Environment

The Indian economy was in a downturn over the last few years due to infrastructural bottlenecks, slow decision-making and fiscal constraints. The Lok Sabha elections last year have contributed to a change in the leadership regime with a new government emerging with a strong majority. This has triggered a turnaround in investor and business confidence about a revival in growth. The Centre has proposed reform measures like the transparent e-auction of coal blocks, private investments in infrastructure and the railways, Land Acquisition Bill implementation of a goods-and-services (GST) tax and the Make in India initiative which are expected to encourage more private and foreign investments to kick start the economy.

India grew 7.5 per cent in the October-December 2014 quarter, according to the Central Statistics Office (CSO)'s revised GDP series. The manufacturing sector grew 10.1 per cent in the October-December 2014 quarter, against 8.7 per cent in the previous quarter. The IMF forecast that the Indian economy would grow by 7.5 per cent in 2015-16 is a positive and suggests that India is set to emerge as the fastest growing global economy this fiscal.

Industry Outlook

The PC Industry declined by 16% on volumes annually due to weak economic growth and the market for DMP declined by 12% during the year. The Indian retail market is however looking to improve its growth to an annual rate of 12% during 2015-2020.

Some key trends

- Over the last few decades, the consumer appliances sector witnessed good growth and organized retail formats gained prominence. Ample e-commerce opportunities combined with the easy availability of credit/ debit cards are now contributing to an online consumer culture in India. A move towards branded

products, nuclear families, strong income growth and rising purchasing power of consumers due to lower inflation may continue to drive retail consumption in the country.

- The company will continue to serve customers by offering products that can easily withstand the adversities of local climate like heat, dust and humidity while providing fast and reliable service. It will leverage the touch points of sales and service partners to focus on the POS business.
- The E-Commerce market is expected to grow at CAGR of 30 to 35% by 2019, thus opening up huge opportunities for Auto Identification and Data Capturing Solutions. Players in this segment are expected to put in efforts to develop payment channels (Cash on Delivery, Mobile Wallets) and Streamlined Logistics Infrastructure to aid E-Commerce growth.
- Modern retail formats are expected to grow three fold during the next 5 years as the focus is shifting beyond tier one and two cities. Three key trends to drive growth in modern trade are rapid consumer evolution (Greater brand recognition, trading up, need for modern shopping environment), supply-side evolution (New entrants, new formats and differentiated strategies) and positive regulatory environment (reduction of the multiplicity of taxes and increased ease of doing business). These drivers for Point of sales products can lead to an estimated growth of 15% ~ 20%.
- Unorganized retail, with flexible credit options and convenient shopping locations may continue to dominate the Indian retail sector. Smaller cities are likely to witness growth and retail players should gear up to tap the potential in these cities. The company visualizes opportunity for its POS products and solutions offering value for money, in these smaller centres.
- Micro industries are expected to make a sizeable contribution to the Indian small and medium sized businesses. It is anticipated that IT services will be their largest overall spending category.

Board's Report to the Members (Contd.)

- Overall business sentiment for the IT hardware business remains muted. Tablets & Phablets are taking the share of PC sales. However, the company visualizes increasing opportunities for the POS products and solutions in banking and e-Governance space. IT spends are also expected to increase across various sectors like Retail, Hospitality, Manufacturing, Education, Banking Financial Services & Insurance. The Company's focus will be to make its services available across India.

Business Risks & Opportunities

The Company's key imperative over the medium term is to sustain current revenue streams even as we build a strategic framework, to go beyond products into services, with engagements in data capture, authentication processing and information dissemination across segments and products. We expect that e-governance initiatives through the expansion of broadband connectivity and mobile solutions will generate more business for service providers like us

With the new Government's IT thrust, it is expected that the Central and State agencies will increase their spends on hardware & software, deploying internal & external IT services and on telecommunications. Consulting, implementation, IT outsourcing and business process outsourcing (BPO) services are expected to be the largest overall spending category.

Internal Control Systems and their adequacy

The Company ensures that all transactions are authorized, recorded & reported and has adequate internal control systems to ensure that assets are safeguarded and protected against any loss. The key processes are aligned with ISO9001:2008 system and audited periodically for compliance.

The scope and authority of the Internal Auditors is clearly defined. The findings and recommendations of the Internal Auditors are reviewed by the Audit committee of the Board on a periodical basis and necessary corrective actions by the process owners in their respective areas are being undertaken. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Risk Management

To review the strategic and tactical risks, the Company has established Risk Management process as part of Audit Committee Meeting, which will oversee the overall risk management framework of the Company, covering strategic, financial, business, IT, legal, regulatory, brand usage and other risks.

The Company follows the policy of hedging forex risk on its imports by taking full cover. The Risk Management frame work covering business, operational and financial risks is being continuously reviewed by the Audit Committee.

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

Business Planning and Information Technology

Initiatives will be seeded in areas of business process automation and analytics which will provide in-depth insights for better planning and decision making. The Company is also evaluating the benefits in moving the hardware to cloud applications and will continue to leverage its IT investment to drive robust business planning processes.

Human Resource Development

The Company has developed structured HR policies and programs in the areas of Resourcing, Performance Management system, Competency based training and development, Talent management to support the current and build for future needs of the organization.

Leadership Development is a key focus area and the Company continues to develop internal talent through structured talent assessment programs, job rotation and cross functional team assignments.

Learning & Development is another focus area wherein technical training is given to employees through Internal trainers. Employees are also encouraged to participate in external programs to acquire new skills and update their knowledge based on latest trends in the industry.

The Company continues to engage the employees through different forums. The Annual Management Kick-

Board's Report to the Members (Contd.)

off meeting is organized for annual goals deployment and followed by a midyear goal alignment meeting, for review. As part of our "Awards, Recognition & Communication" (ARC) program, we recognize employees for their exceptional performance throughout the year.

Safety

Safety training and safety audit are frequently conducted which enables the Company to maintain accident free performance at the Factories for several years.

Corporate Social Responsibility

The Company continues to be actively engaged in Corporate Social Responsibility (CSR) initiatives for development of the society through partnerships particularly to improve the lesser privileged communities and areas covered include Education, Health and Hygiene, Culture and Heritage and other welfare projects.

In view of the carry forward losses, the provisions of Section 135 of Companies Act, 2013 are not applicable to the Company. However, CSR activities have already been embodied in the value system of the Company, for more than a decade. During the year, the Company undertook the following activities under CSR:

Health and hygiene

A total of 8000 students of Siddaganga Mutt in Tumkur were screened for Speech and Hearing disabilities by the team from All India Institute of Speech and Hearing. Students with hearing defects were taken up for further management. The Company also conducted personal hygiene program at various schools.

Education

During the year, the Company adopted 107 students of Sree Siddaganga Mutt School, Tumkur. The cost of books, clothing, school / college fees / food was borne by the Company.

The Company donated computers to the above school and more than 3,500 students were benefitted by this initiative.

Culture & Heritage

The Company participated in annual celebration and festivals, social gatherings, saving and sustaining historic places through carrying out maintenance and repairs works at such places in Southern India.

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.

Code of Business Conduct and Ethics

The Board of Directors have approved the revised Code of Business Conduct and Ethics in terms of Schedule IV of Companies Act, 2013 and clause 49 of Listing Agreement. All the members of the Board and Senior Management Personnel have confirmed compliance with the Code for the year ended 31st March, 2015. The annual report contains a declaration to this effect signed by the Managing Director and Company Secretary as Compliance Officer for the Code. The Code is available on the Company's Website www.tvs-e.in.

Vigil Mechanism / Whistle Blower Policy

The Company has established a vigil mechanism, which is overseen through the Audit Committee. The Audit Committee Chairman has been appointed as the Ombudsman of the Vigil mechanism. Adequate safeguards against victimization of employees and Directors who express their concerns, forms part of the mechanism. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of the employees and the Company. The Policy is available on the Company's Website www.tvs-e.in.

Company has adopted a Fraud Monitoring Mechanism to deal with instances of fraud and mismanagement.

Board's Report to the Members (Contd.)

Prevention of Insider Trading

The Company has complied with the provisions of SEBI (Prevention of Insider Trading) Regulations, which is to be complied with effect from 15th May, 2015. The Company has adopted Fair Practices Code and has suitably amended the existing Code of Conduct relating to Insider Trading. The Board and the designated employees of the Company have confirmed compliance with the Code as applicable as on 31st March 2015. Code of Conduct for Insider Trading Regulation and the Fair Practices Code are available on the Company's Website www.tvse.in.

Holding Company

The Holding Company, M/s. Sundaram Investment Limited holds 1,11,60,093 Equity Shares of Rs.10/- each constituting 61.92% of the total paid-up share capital of the Company, as on 31st March 2015.

Subsidiary Company

M/s. Prime Property Holdings Limited, is the Company's Wholly Owned Subsidiary. The financial performance of the subsidiary forms part of this report.

Consolidated Accounts

The accounts of the subsidiary company, M/s. Prime Property Holdings Limited are consolidated with the accounts of the Company in accordance with Accounting Standard 21 (AS 21) prescribed by The Institute of Chartered Accountants of India. The consolidated accounts duly audited by the Statutory Auditors and the consolidated financial information forms part of the Annual Report.

The Company does not have any associate or joint venture companies.

A Statement under Section 129(3) of the Companies Act, 2013 is enclosed as Annexure A

The Annual Accounts of the Subsidiary Company and related detailed information will be available for inspection by the Shareholders at the Registered Office of the Company and the Subsidiary Company concerned and will also be made available to the Shareholders upon request.

Dividend

Considering the current financial position of the Company, the Directors do not propose any dividend for the financial year ended 31st March, 2015.

Extract of Annual Return

The details of the Extract of Annual return is enclosed as Annexure B.

Number of Board Meetings

The Board of Directors met six times during 2014-15. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

Changes in the Share Capital

The paid-up share capital of the Company as on 31st March, 2015 is 18,02,28,180/- consisting of 1,80,22,818 Equity Shares of Rs.10/- each. During the year, the Company has not issued any fresh shares.

Particulars of Loans, Guarantees or Investments

The Company has not given any loans or guarantees covered under the provisions of Section 186 of Companies Act 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

The details of investments made by the Company is given in the financial statements.

Related Party Transactions

All the related party transactions are entered on arm's length basis and in the ordinary course of business and are in compliance of the provisions of the Companies Act, 2013 and the Listing Agreement. The Company has not entered into any material related party transactions with Promoters, Directors or Key Managerial Personnel, which may have potential conflict with the interest of the Company at large.

All related party transactions are approved by the Audit Committee on a quarterly basis, with all the necessary details and presented to the Board. Omnibus approvals are obtained for related party transactions which are either repetitive in nature or unforeseen.

The details of transactions with related parties are provided in the financial statements.

Board's Report to the Members (Contd.)

The Related Party Transactions policy as approved by the Board is uploaded on the Company's website at www.tvs-e.in.

Directors

Cessation

Mr. H Lakshmanan (DIN: 00057973), Director resigned from the Board of Directors of the Company effective from the close of 30th September 2014. He has been serving on the Board since the year 2003 and Company has benefitted by his valuable advice and guidance particularly in the areas of long term outlook for the growth of the Company. Directors place on record their deep sense of appreciation for his contribution to the Board and as a member of various Board Committees of the Company.

Retirement by Rotation

Mr. D Sundaram (DIN: 00016304), 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. Board recommends his re-appointment.

Appointment

Non Executive Director

Mr. Narayan K Seshadri (DIN: 00053563) appointed as an Additional Director (Non-Independent) under Section 161 of Companies Act, 2013, with effect from 6th May 2015, to hold office upto the date of the ensuing Annual General Meeting. The Company has received a notice under Section 160 (1) of Companies Act, 2013 from a member proposing his appointment as a Director.

Independent Directors

The Board, based on Nomination and Remuneration Committee's recommendation, had appointed Dr. Nagendra Palle (DIN: 06964686), effective 30th September 2014, Mr. M Lakshminarayan (DIN: 00064750) and Mr. M F Farooqui (DIN: 01910054) effective 6th May 2015, subject to the approval of shareholders for a period of 5 years, in terms of the provisions of Companies Act, 2013 and Listing Agreement.

The members at the 19th Annual General meeting, have approved the appointments of Mr. Praveen Chakravarty (DIN:00766422) and Mr. Kenneth Tai (DIN: 01964412) as Independent Directors who are not liable to retire by rotation, to hold office for a term of five consecutive years from 1st April, 2014 to 31st March, 2019. The members have also approved through Postal Ballot, the appointment of Mr. R Ramaraj (DIN:00090279) as Independent Director representing small shareholders of the Company, not liable to retire by rotation, to hold office for a period of three consecutive years from 1st April, 2014 to 31st March, 2017.

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 Clause 49 of the Listing Agreement.

Separate Meeting of Independent Directors

The Independent Directors met on 5th February, 2015 and 6th May, 2015 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. Further details are available in the Corporate Governance Report.

Woman Director

Mrs. Srilalitha Gopal (DIN: 02329790) is serving on the Board since the year 2011.

Key Managerial Personnel

Mr. K E Ranganathan (DIN 00058980), Managing Director and Ms. S Nagalakshmi, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company under the provisions of the Companies Act, 2013.

During the year the members have also approved the appointment of Mr. K E Ranganathan, as Managing Director of the Company.

Evaluation of the Board's performance

The Board has carried out an evaluation of its own performance, also that of its Directors individually and its Committees. The manner in which the evaluation has been carried out is explained in the Corporate Governance report.

Board's Report to the Members (Contd.)

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

Remuneration Policy

The Company has adopted a Remuneration Policy of Directors and Senior Management personnel, detailing inter alia the procedure for Director's appointment and remuneration including criteria for determining qualification.

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 Remuneration Policy document as approved by the Board is uploaded on the Company Website www.tvs-e.in.

Statutory Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Registration No.004207S) retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to get re-appointed as the Statutory Auditors of the Company and has furnished a certificate of their eligibility and consent under Section 141 of the Companies Act, 2013. In terms of the Listing Agreement, the Auditors vide their letter dated 29th April 2015 have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The members are requested to appoint M/s. Sundaram & Srinivasan, Chartered Accountants as Statutory Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting for the second year in the transitional period of three years and authorise the Board to fix their remuneration.

The Auditors' Report for the year ended 31st March 2015 are free from any qualification, reservation or adverse remark and hence do not call for any explanation or comments by the Board.

Internal Auditors

The Company has appointed M/s. Grant Thornton India LLP, as Internal Auditors for the year 2015-16. The reports of the Internal Auditors are discussed in the Audit Committee Meetings.

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 1st April 2015. The Audit Committee recommended and the Board of Directors appointed Mr. P Raju Iyer, Cost Accountant, Chennai as the Cost Auditor of the Company, to carry out the cost audit for 2015-16. The Company has also received the consent from Mr. P Raju Iyer for his appointment.

Secretarial Auditors and Secretarial Audit Report

The Company appointed M/s. S Krishnamurthy & Co., Practising Company Secretaries, Chennai to carry out Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year 31st March, 2015 is enclosed as Annexure C. The clarification to the observations in the Secretarial Audit Report are given below:

1. The Company has a Business Finance Controller, who is discharging the functions of Chief Financial Officer. However, the Company is in the process of identifying a suitable person for the position of Chief Financial Officer.
2. The delay in the publication of the Notice of Board Meeting is due to the intervening holidays.
3. The Company was awaiting clarifications in respect of providing certain particulars to file Annual Performance Report (APR) for the Company's SEZ unit for 31st March, 2014 and the same was filed immediately on receipt of the required clarifications.

Board's Report to the Members (Contd.)

The Board has appointed M/s. S Krishnamurthy & Co., Practising Company Secretaries, Chennai as the Secretarial Auditors for the financial year 2015-16. Necessary consent has been received from them to act as Secretarial Auditors.

Employee Stock Option Plan

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

Credit Rating

During the year 2014-15 Brick Work Ratings of India Private Limited has upgraded the Company's Credit Rating to 'BBB'. The Company has informed the Stock Exchanges accordingly.

Transfer to Investor Education and Protection Fund

The details of transfer to Investor Education and Protection Fund is provided in the Corporate Governance Report forming part of this Annual Report.

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.

Other particulars pursuant to Section 197(12) of Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- a. Rule 5(1) (i) & (ii) Ratio and Percentage increase of Remuneration of Directors and Employees:

Name	Designation	Ratio to Median Remuneration	% increase in Remuneration
Gopal Srinivasan	Chairman	NA	NA
K E Ranganathan	Managing Director	1:33	Nil
H Lakshmanan (upto 30 9 2014)	NENID	NA	NA
D Sundaram	NENID	NA	NA
Srilalitha Gopal	NENID	NA	NA
Kenneth Tai	NEID	NA	NA
R Ramaraj	NEID	NA	NA
Praveen Chakravarty	NEID	NA	NA
Dr. Nagendra Palte (from 30 9 2014)	NEID	NA	NA
S Nagalakshmi	Company Secretary	NA	8%

- b. Rule 5(1) (iii) & (v) - Comparison of remuneration of Employees with Company performance:

Remuneration of Employees	% increase
Increase in Median remuneration	13.53%
Increase in Average remuneration	11.60%
Company Performance	
Increase in Revenue	9%
Increase in Profit Before Tax	380%

- c. Rule 5 (1) (vi) & (ix) - Comparison of KMP remuneration with Company performance:

Particulars	(Rs. Lakhs)
Remuneration of Key Managerial Personnel	100.90
Company Performance	
Revenue - Sales & Other Income	27,103
Profit Before Tax	317

- d. The number of permanent employees on the rolls of the Company : 610
- e. Variations in the market capitalization of the Company, Price Earnings Ratio of the Company as at the closing date as at 31st March 2015 and the previous financial year and percentage increase / decrease in the market quotations of the shares of the Company as compared to the rate at which the Company came out with last public offer:

Particulars	2013-14	2014-15	Increase / (Decrease)
No. of Shares	1,80,22,818	1,80,22,818	Nil
Share Price (in Rs.)	BSE	14.10	32.90
	NSE	13.50	34.45
EPS (in Rs.)	0.22	1.17	432%
PE Ratio (based on audited results)	61.36	29.44	(31.92%)
Company's Market Cap (Rs. in Lakhs)	2,433.08	6,208.86	155%

Board's Report to the Members (Contd.)

The Company has not made any public offer till date, since its incorporation. Its shares were listed on Stock Exchanges due to a scheme of amalgamation of the erstwhile listed Company, namely TVS Electronics Limited sanctioned by the Hon'ble High Court of Madras vide its order dated 5th August, 2003.

- f. Average percentile increase in the salaries of employees other than the managerial personnel during the year 2014-15 was 11.62% and for the managerial personnel was 8.34%.
- g. The key parameters for any variable component of remuneration availed by the Directors: Except for Mr. K E Ranganathan, Managing Director, none of the other directors have been paid any remuneration except sitting fees. The key parameters with respect to the variable pay availed by Managing Director are considered by the Board of Directors based on the recommendations of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.
- h.. The ratio of remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not applicable.
- i. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

E-Waste Management

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

Report on energy conservation, foreign exchange and research and development

Information relating to energy conservation, foreign exchange earned and spent and research and development activities undertaken by the Company in accordance with the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts)

Rules, 2014 are given in Annexure E to the Board's Report.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis Report and a Corporate Governance Report are made a part of this Annual Report.

A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated by Clause 49 of the Listing Agreement is attached to this Report.

Public Deposits

The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Companies Act, 2013 for the year ended 31st March, 2015.

Anti-Sexual Harassment Policy

The Company has in place an "Anti-Sexual Harassment Policy" in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Company has not received any complaint pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Awards and Recognitions

The Company has been awarded:

- i) VAR India Award for Best Thermal Transfer Printer 2014
- ii) VAR India Award for Best Mechanical Keyboard 2014
- iii) VAR India Award for Best Retail POS 2014
- iv) HTC After sales services Award 2014.
- v) Sony Partnership Award 2014
- vi) Microsoft (Nokia) Best All India Back end repair Engineer Award 2014
- vii) DELL Delighting Customers Award 2014

Board's Report to the Members (Contd.)

Directors' Responsibility Statement

As required by Section 134 (5) of the Companies Act, 2013 the Directors hereby state:

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed and that there were no material departures;
- ii) that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31st March, 2015 and of the profits of the Company for the year under review;
- iii) that they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that they had prepared the annual accounts for the year ended 31st March, 2015 on a "going concern" basis;
- v) that they had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively;
- vi) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that 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 Sundaram Investment 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

Chennai
6th May, 2015

Gopal Srinivasan
Chairman

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 subsidiaries

Part "A": Subsidiaries

(Rs. in Lakhs)

1.	Sl. No	1
2.	Name of the subsidiary	Prime Property Holdings Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same reporting period as that of Holding Company
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
5.	Share capital	5.00
6.	Reserves & Surplus	704.97
7.	Total Assets	716.25
8.	Total Liabilities	716.25
9.	Investments	664.18
10.	Turnover *	0.01
11.	Profit before Taxation	(0.79)
12.	Provision for Taxation	(0.01)
13.	Profit after Taxation	(0.70)
14.	Proposed dividend	-
15.	% of shareholding	100%

* other income

Notes:

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

For and on behalf of the Board

Chennai
6th May, 2015

Gopal Srinivasan
Chairman

FORM MGT - 9
EXTRACT OF ANNUAL RETURN
as on the Financial Year Ended on 31st March, 2015

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

I. REGISTRATION AND OTHER DETAILS:

(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	Jayalakshmi Estates, 29, Haddows Road, Chennai - 600 006 Tel: 91-44-28277155, E-mail: webmaster@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	31.51
2	Trading of:		
	Computer Printers / Keyboards	47411	22.78
	Telecom Parts	47414	17.70
3	Services	61101	17.14

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	61.92% (through Sl. No. 2)	Sec. 2 (46)
2	Sundaram Investment Limited Jayalakshmi Estate, 29, Haddows Road, Chennai - 600 006	U65993TN2004PLC054696	Holding Company	61.92%	Sec. 2 (46)
3	Prime Property Holdings Limited Jayalakshmi Estate, 29, Haddows Road, Chennai - 600 006	U45200TN2007PLC065330	Subsidiary Company	100%	Sec. 2 (87)

Annexure B to Board's Report (Contd.)

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	% of total shares
A. Promoters										
(1) Indian										
(a) individual/ HUF	-	-	-	-	-	-	-	-	-	-
(b) Central Govt.	-	-	-	-	-	-	-	-	-	-
(c) State Govt.	-	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	1,09,58,264	-	-	10,958,264	60.80%	1,11,60,093	-	2,01,829	61.92%	1.12%
(e) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (1)	1,09,58,264	-	-	10,958,264	60.80%	1,11,60,093	-	2,01,829	61.92%	1.12%
(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	1,09,58,264	-	-	1,09,58,264	60.80%	1,11,60,093	-	2,01,829	61.92%	1.12%
(A) = (A) (1) + (A) (2)										
B. Public Shareholding										
(1) Institutions										
(a) Mutual Funds	2,050	2,700	4,750	0.03%	2,050	2,700	4,750	0.03%	-	-
(b) Banks/ Financial Institutions	61,700	600	62,300	0.35%	61,700	600	62,300	0.35%	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-	-
(d) State Govt.	-	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-	-
(g) FIs	-	100	100	-	-	100	100	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	-
(i) Others (specify)	-	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	63,750	3,400	67,150	0.37%	63,750	3,400	67,150	0.38%	-	-

Annexure B to Board's Report (Contd.)

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

(i) Category-wise Share Holding (Contd.)

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
(2) Non- Institutions												
(a) Bodies Corporate												
(i) Indian	3,23,947	3,71,901	6,95,848	3.86%	4,44,350	3,71,201	8,15,551	4.53%	1,20,403	(700)	1,19,703	0.66%
(ii) Overseas	-	-	-	-	-	-	-	-	-	-	-	-
(b) individuals	-	-	-	-	-	-	-	-	-	-	-	-
(i) Individual Shareholders holding nominal share capital upto Rs. One Lakh	43,47,947	5,50,710	48,98,657	27.18%	42,32,751	4,77,544	47,10,295	26.14%	(1,15,196)	(73,166)	(1,88,362)	(1.05%)
(ii) Individual Shareholders holding nominal share capital in excess of Rs. One Lakh	10,51,502	20,000	10,71,502	5.95%	9,46,305	20,000	9,66,305	5.36%	(1,05,197)	-	(1,05,197)	(0.58%)
(c) Others (specify)												
NRI Non-Repatriable	39,628	1,200	40,828	0.23%	20,459	800	21,259	0.12%	(19,169)	(400)	(19,569)	(0.11%)
NRI Repatriable	81,919	2,06,250	2,88,169	1.60%	1,22,815	1,59,350	2,82,165	1.57%	40,896	(46,900)	(6,004)	(0.03%)
Overseas Body Corporate	2,400	-	2,400	0.01%	-	-	-	-	(2,400)	-	(2,400)	(0.01%)
Sub-total (B) (2)	58,47,343	11,50,061	69,97,404	38.83%	57,66,680	10,28,895	67,95,575	37.71%	(80,663)	(1,21,166)	(2,01,829)	(1.12%)
Total Public Shareholding (B) = (B) (1) + (B) (2)	59,11,093	11,53,461	70,64,554	39.20%	58,30,430	10,32,295	68,62,725	38.09%	(80,663)	(1,21,166)	(2,01,829)	(1.12%)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total (C)	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL [A + B + C]	1,68,69,357	11,53,461	1,80,22,818	100.00%	1,69,90,523	10,32,295	1,80,22,818	100.00%	1,21,166	(1,21,166)	-	-

Annexure B to Board's Report (Contd.)

(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	Sundaram Investment Limited	1,09,58,264	60.80	-	1,11,60,093	61.92	-	1.12
	TOTAL	1,09,58,264	60.80	-	1,11,60,093	61.92	-	1.12

(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	1,09,58,264	60.80	1,09,58,264	60.80
	Add: Secondary Market Purchase-				
	15/05/2014	57,587	0.32	1,10,15,851	61.12
	16/05/2014	31,504	0.17	1,10,47,355	61.30
	19/05/2014	10,372	0.06	1,10,57,727	61.35
	20/05/2014	44,296	0.25	1,11,02,023	61.60
	21/05/2014	5,905	0.03	1,11,07,928	61.63
	22/05/2014	13,090	0.07	1,11,21,018	61.71
	23/05/2014	10,772	0.06	1,11,31,790	61.76
	26/05/2014	21,444	0.12	1,11,53,234	61.88
	27/05/2014	40,869	0.23	1,11,94,103	62.11
	28/05/2014	3,615	0.02	1,11,97,718	62.13
	29/05/2014	7,065	0.04	1,12,04,783	62.17
	02/06/2014	310	0.00	1,12,05,093	62.17
	Less: Off-market sale-				
	07/01/2015	27,500	0.15	1,11,77,593	62.02
	14/01/2015	7,500	0.04	1,11,70,093	61.98
	13/02/2015	10,000	0.06	1,11,60,093	61.92
	At the End of the year			1,11,60,093	61.92

Annexure B to Board's Report (Contd.)

(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 No. of shares	% of total shares of the Company	Closing Balance	% of total shares of the Company
1	TRANZMUTE BUSINESS ADVISORY LLP FOLIO NO. P13050013694	3,50,000	No Change	Opening balance	-	-	-	-	3,50,000	1.94
2	SANDHYA G PARIKH Client Id : 1601010300000616 DP ID : 10103	91,976	No Change	Closing balance	-	-	-	-	91,976	0.51
3	MUKESH KANOOGA S Client Id : 40151202 DP ID : IN301637	67,426	01-04-2014	Opening balance	4,920	0.03	62,506	0.35		
			16-05-2014	Transfer / Sale	1,003	0.01	61,503	0.34		
			23-05-2014	Transfer / Sale	2,700	0.01	58,803	0.33		
			30-05-2014	Transfer / Sale	7,873	0.04	50,930	0.28		
			06-06-2014	Transfer / Sale	930	0.01	50,000	0.28		
			30-06-2014	Transfer / Sale	3,646	0.02	46,354	0.26		
			18-08-2014	Transfer / Purchase	2,541	0.01	48,895	0.27		
			17-10-2014	Transfer / Purchase	24,597	0.14	73,492	0.41		
4	UNITED INDIA INSURANCE COMPANY LIMITED Client Id : 10000543 DP ID : IN300812	61,200	No Change	Closing balance	-	-	-	-	73,492	0.41
			31/03/2015	Opening balance					61,200	0.34
5	MANOJ J BAGADIA Client Id : 20658029 DP ID : IN301330	93,594	01/04/2014	Opening balance	1,594	0.01	92,000	0.51		
			13-06-2014	Transfer / Sale	4,000	0.02	88,000	0.49		
			30-06-2014	Transfer / Sale	2,008	0.01	85,992	0.48		
			04-07-2014	Transfer / Sale	1,258	0.01	84,734	0.47		
			11-07-2014	Transfer / Sale	21,734	0.12	63,000	0.35		
			12-09-2014	Transfer / Sale	3,000	0.02	60,000	0.33		
			21-11-2014	Transfer / Sale					60,000	0.33
6	ANITA RAWAT Client Id : 30011185 DP ID : IN301524	NIL	31/03/2015	Closing balance						
			01-04-2014	Opening balance	13,000	0.07	13,000	0.07		
			14-11-2014	Transfer / Purchase	4,000	0.02	17,000	0.09		
			28-11-2014	Transfer / Purchase	1,000	0.01	18,000	0.10		
			05-12-2014	Transfer / Purchase	2,000	0.01	20,000	0.11		
			19-12-2014	Transfer / Purchase	4,000	0.02	24,000	0.13		
			31-12-2014	Transfer / Purchase	6,000	0.03	30,000	0.17		
			23-01-2015	Transfer / Purchase	7,000	0.04	37,000	0.21		
			30-01-2015	Transfer / Purchase	8,000	0.04	45,000	0.25		
			06-02-2015	Transfer / Purchase	5,000	0.03	50,000	0.28		
			13-02-2015	Transfer / Purchase	1,000	0.01	51,000	0.28		
			13-03-2015	Transfer / Purchase	3,000	0.02	54,000	0.30		
			20-03-2015	Transfer / Purchase					54,000	0.30
			31/03/2015	Closing balance						

Annexure B to Board's Report (Contd.)

7	M. PARAS Client Id : 10105630 DP ID : IN300378	60,943	01/04/2014	Opening balance							
			11-07-2014	Transfer / Sale	1,565	0.01	59,378	0.33			
			19-12-2014	Transfer / Sale	3,000	0.02	56,378	0.31			
			31-12-2014	Transfer / Sale	6,378	0.04	50,000	0.28			
			31-03-2015	Transfer / Purchase	1,631	0.01	51,631	0.29			
			31/03/2015	Closing balance					51,631	0.29	
8	B VENKATESWARA PRASAD Client Id : 40259806 DP ID : IN302902	55,403	01/04/2014	Opening balance							
			04-04-2014	Transfer / Purchase	600	0.00	56,003	0.31			
			16-05-2014	Transfer / Sale	1,003	0.01	55,000	0.31			
			04-07-2014	Transfer / Sale	600	0.00	54,400	0.30			
			11-07-2014	Transfer / Sale	1,300	0.01	53,100	0.29			
			18-07-2014	Transfer / Sale	2,500	0.01	50,600	0.28			
			12-09-2014	Transfer / Sale	4,400	0.02	46,200	0.26			
			30-09-2014	Transfer / Purchase	1,200	0.01	47,400	0.26			
			07-11-2014	Transfer / Sale	1,400	0.01	46,000	0.26			
			28-11-2014	Transfer / Sale	500	0.00	45,500	0.25			
			09-01-2015	Transfer / Sale	3,000	0.02	42,500	0.24			
			06-03-2015	Transfer / Sale	500	0.00	42,000	0.23			
			31/03/2015	Closing balance					42,000	0.23	
9	TANVI J MEHTA Client Id : 1203000000624997 DP ID : 30000	29,941	01/04/2014	Opening balance							
			23-05-2014	Transfer / Purchase	7,000	0.04	36,941	0.20			
			29-08-2014	Transfer / Sales	3,500	0.02	33,441	0.19			
			06-02-2015	Transfer / Purchase	2,000	0.01	35,441	0.20			
			20-03-2015	Transfer / Purchase	581	0.00	36,022	0.20			
			31-03-2015	Transfer / Purchase	5,000	0.03	41,022	0.23			
			31.03.2015	Closing balance					41,022	0.23	
			01/04/2014	Opening balance	-	-	-	-			
			20-06-2014	Transfer / Purchase	2,000	0.01	2,000	0.01			
			30-06-2014	Transfer / Purchase	8,000	0.04	10,000	0.06			
10	SUSHMA JALAN Client Id : 12098495 DP ID : IN300214		04-07-2014	Transfer / Purchase	10,000	0.06	20,000	0.11			
			11-07-2014	Transfer / Purchase	5,000	0.03	25,000	0.14			
			01-08-2014	Transfer / Purchase	2,020	0.01	27,020	0.15			
			08-08-2014	Transfer / Purchase	980	0.01	28,000	0.16			
			12-09-2014	Transfer / Sales	300	0.00	27,700	0.15			
			19-09-2014	Transfer / Purchase	300	0.00	28,000	0.16			
			09-01-2015	Transfer / Purchase	3,000	0.02	31,000	0.17			
			31.03.2015	Closing balance					31,300	0.17	

Annexure B to Board's Report (Contd.)

(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 Prema Srinivasan Folio No. G00453	150	No Change	Opening balance	-	-	-	-		
			Closing balance	-	-	-	-	150	0.00
K E Ranganathan	Nil		-	-	-	-	-	Nil	-
Srilalitha Gopal	Nil		-	-	-	-	-	Nil	-
D Sundaram	Nil		-	-	-	-	-	Nil	-
R Ramraj Client ID : 40512806 DP ID : In300476	35,000	No Change	Opening balance	-	-	-	-		
			Closing balance	-	-	-	-	35,000	0.19
Kenneth Tai	Nil		-	-	-	-	-	Nil	-
Praveen Chakravarty	Nil		-	-	-	-	-	Nil	-
Nagendra Palle [#]	Nil		-	-	-	-	-	Nil	-
M Lakshminarayan [*]	Nil		-	-	-	-	-	Nil	-
M F Farooqui [*]	Nil		-	-	-	-	-	Nil	-
Narayan K Seshadri [*]	Nil		-	-	-	-	-	Nil	-
S Nagalakshmi	Nil		-	-	-	-	-	Nil	-

[#] Appointed as Director w.e.f. 30th September, 2014. ^{*} Appointed as Director w.e.f. 6th May, 2015

V. INDEBTEDNESS

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

	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
	Indebtedness at the beginning of the financial year - 01.04.2014				
(i)	Principal Amount	4390.44	1405.89	-	5796.33
(ii)	Interest due but not paid	41.04	-	-	41.04
(iii)	Interest accrued but not due	-	11.48	-	11.48
	Total (i+ii + iii)	4431.48	1417.37	-	5848.85
	Change in Indebtedness during the financial year				
	Addition	27.56	1020.69	-	1048.25
	Reduction	1257.08	257.29	-	1514.36
	NET CHANGE	(1229.52)	763.4	-	(466.11)
	Indebtedness at the end of the financial year - 31.03.2015				
(i)	Principal Amount	3160.92	2169.30	-	5330.22
(ii)	Interest due but not paid	30.6	-	-	30.6
(iii)	Interest accrued but not due	-	13.40	-	13.40
	Total (i+ii + iii)	3191.52	2182.70	-	5374.22

Annexure B to Board's Report (Contd.)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount
		K E Ranganathan, Managing Director	
1	Gross Salary	60.00	60.00
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission -	-	-
	- as % of Profits	-	-
	- Others, specify	-	-
5	Others, please specify (Variable Pay)	20.00	20.00
	Total (A)	80.00	80.00
	Ceiling as per the Act	84.00	84.00

B. Remuneration to other Directors: (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	R Ramaraj	Praveen Chakravarty	Kenneth Tai	Nagendra Pale	
	Fees for attending Board, Committee Meetings	1.65	1.82	0.30	0.60	4.37
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	1.65	1.82	0.30	0.60	4.37
2	Other Non-Executive Directors	Name of Directors				Total Amount
		Gopal Srinivasan	Srilalitha Gopal	H Lakshmanan	D Sundaram	
	Fees for attending Board, Committee Meetings	1.00	0.60	0.35	1.62	3.57
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	1.00	0.60	0.35	1.62	3.57
	Total (B) = (1)+(2)					7.95
	Total Managerial Remuneration (A) + (B)					87.95
	Overall Ceiling as per the Act	Not Applicable				

Annexure B to Board's Report (Contd.)

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD (Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total
		Company Secretary	
1	Gross Salary		
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20.90	20.90
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
(c)	"Profits in lieu of salary under section 17(3) Income-tax Act, 1961"	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of Profits	-	
	- Others, specify	-	
5	Others, please specify	-	-
	Total	20.90	20.90

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : Nil

	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	Not Applicable		Not Applicable		
	Penalty					
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty					
	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

Chennai
6th May, 2015

Gopal Srinivasan
Chairman

Annexure C to Board's Report

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2015

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

To,

The Members,

TVS Electronics Limited,

[CIN: L30007TN1995PLC032941]

No.29, Haddows Road,

Chennai-600006

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by M/s. **TVS Electronics Limited** (hereinafter called "the Company"). The 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 M/s. **TVS Electronics Limited'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 authorized 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 2015**, 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. The members are requested to read this report along with our letter dated 6th May 2015 annexed to this report as Annexure – A.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **TVS Electronics Limited** (the Company) for the financial year ended on 31st March 2015 according to the applicable provisions of:

- (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 and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (d) The Securities and Exchange Board of India (Registrars to an issue and share transfer agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; and
 - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- (vi) The following laws specifically applicable to the Company, namely, The Special Economic Zones Act, 2005 and The Special Economic

Annexure C to Board's Report (Contd.)

Zones Rules, 2006, since one of the Company's units is located in a Special Economic Zone.

- (vii) The Listing Agreements entered into by the Company with:
 - (a) BSE Limited; and
 - (b) National Stock Exchange of India Limited.
2. We are informed that, for the financial year ended on 31st March 2015:
 - (i) The Company was not required to maintain books, papers, minute books, forms and returns filed or other records according to the provisions of the following Regulations and Guidelines prescribed under the SEBI Act:
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (ii) There are no other laws specifically applicable to the Company the books, papers, minute books, forms and returns of which were required to be examined by us for the purpose of this report.
3. We have not examined compliance with the Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India as they become applicable only from 1st July 2015.
4. During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations and Agreements mentioned under paragraph 1 above, to the extent applicable, subject to our observations placed in Annexure B to this report.
5. We further report that:
 - (i) The Board of Directors of the Company is duly constituted with proper balance of Executive

Directors, Non-Executive Directors and Independent Directors. The Board also has a woman director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- (ii) Adequate notice is given to all directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance. However, agenda and detailed notes on agenda are sent less than seven days before the meeting.
- (iii) A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings. Majority decision is carried through. We are informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.
- (iv) 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.
- (v) During the audit period the members have passed a special resolution under section 180(1)(c) of the Act empowering the Board of Directors to borrow moneys provided that the amounts borrowed and outstanding at any point of time does not exceed Rs.100 crores, apart from temporary loans from company's bankers in the ordinary course of business.

For S Krishnamurthy & Co.
Company Secretaries

K. Sriram
Partner

Chennai
May 06, 2015

Membership No: F6312
Certificate of Practice No: 2215

Annexure C to Board's Report (Contd.)

To,
The Members,
TVS Electronics Limited,

[CIN: L30007TN1995PLC032941]

No.29, Haddows Road,
Chennai-600006

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to make a report based on the secretarial records produced for our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our report.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Compliance with the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on a test basis.

5. We have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
6. While forming an opinion on compliance and issuing this report, we have also taken into consideration the compliance related action taken by the Company after 31st March 2015 but before the issue of this report.
7. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law, wherever there was scope for multiple interpretations, especially since the financial year ended 31st March 2015 was the first full financial year in which the Companies Act, 2013 became operational and also on account of the listing agreement with the stock exchanges undergoing major amendments from 1st October 2014.
8. Our 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 Krishnamurthy & Co.
Company Secretaries

K. Sriram
Partner

Chennai
May 06, 2015

Membership No: F6312
Certificate of Practice No: 2215

Sl.	Observation
1.	In terms of section 203(1)(ii) of the Companies Act, 2013, the company, being a listed company, is required to have a whole-time key managerial personnel in the category of "Chief Financial Officer" (CFO). The company did not have a CFO for the entire financial year ended 31 st March 2015.
2.	Notice of Board meeting on 29 th July 2014 was published only 5 clear days before the meeting instead of the required 7 clear days required under clause 41(III)(b) of the listing agreement.
3.	Annual Performance Report for the Company's SEZ unit for the financial year ended 31 st March 2014, which should have been submitted to the Development Commissioner on or before 30 th June 2014 has been submitted belatedly on 7 th October 2014.

Annexure 'D' to Board's Report

Disclosure under SEBI (ESOP & ESPS) Guidelines, 1999 (Cumulative Position)

Employees Stock Option Scheme 2011

a)	Options Granted	8,05,000
b)	Pricing Formula	The Exercise Price 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	30,000
d)	Options Exercised	Nil
e)	The total no. of ordinary shares arising as a result of exercise of options	Nil
f)	Options lapsed	2,75,000
g)	Variation of terms of options	Nil
h)	Money realized by exercise of options	Nil
i)	Total no. of options in force	5,30,000
j)	(i) Details of options granted to Senior Managerial Personnel during the year	Nil
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	Nil
	(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital outstanding (excluding outstanding warrants & conversions) of the Company at the time of grant.	Nil
k)	Diluted earnings per share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with the International Accounting Standard (IAS 33)	Not applicable

For and on behalf of the Board

Chennai
6th May, 2015

Gopal Srinivasan
Chairman

Annexure 'E' to Board's Report

Annexure "E" to the Board's Report for the year ended 31st March, 2015

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 3 of the Companies (Accounts) Rules, 2014

A. PRODUCT SAFETY & ENERGY CONSERVATION

(a) Measures taken:

BIS Safety compliances Testing, Certification and registration completed for all products.

(b) Proposed measures:

Requirement for Safety compliance and Compulsory Registration in BIS is under progress for additional three new products.

Redesigned Electronics module to reduce power consumption by 30% is being explored and under progress.

B. TECHNOLOGY ABSORPTION

1. Specific areas in which R&D was carried out by the Company:

(a) IT Peripherals

- 24W gate array technology for all 24W Printers. CUFT in progress.
- Low Current print head evaluation is in progress.
- Bluetooth enabled printers and scanners have been launched.

(b) Customization projects

New Thermal printer for Indian Railways for UTS ticketing application with existing customer application. Demo completed for this Projects. Commercialisation yet to start.

2. Future plan of action

The Company is also working on Retail automation projects and also in the area of Point of Sales by offering innovation and customization of these products

3. Expenditure on R&D

Rs. in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Capital Expenditure	–	0.09
Revenue Expenditure	112.73	94.28
Total	112.73	94.37

Total expenditure as a percentage of total turnover = 0.42% (0.47%)

4. Technology absorption, adoption and Innovations

a) Efforts in brief

Key research employees and new joiners have been trained in paper transportation for DMP system, Thermal technology, Electronic Cash Registers, Power consumption, Plastic / Sheet metal parts design and ROHS compliance.

b) Benefits derived as a result of the above efforts

Know how of 24 wire printing technology scalable for higher printing speeds and cost control.

c) Technology absorption

In addition to the DMP, the Company has added POS products like Thermal printers, Bar code scanners, Pole display, Electronic cash register, Tablet based solution, and Touch POS system etc. as a focus category for product development in the retail segment with migrating from ASIC chips to own IP related areas. The Company will design and develop products with higher standards to compete in the international market. This will encompass developing of innovative products to reduce the power consumption, meet customer needs, meeting all the International standards at an affordable cost to the end customer.

C. EXPORT ACTIVITIES

The Company exported Printers / Printer components

Rs. in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
(a) Total Forex earned (FOB)	3,359.09	3,071.92
(b) Total Forex used (FOB)	9,008.37	8,694.85

For and on behalf of the Board

Chennai
6th May, 2015

Gopal Srinivasan
Chairman



Report on Corporate Governance

(As required by Clause 49 of the Listing Agreements with the Stock Exchanges)

Company's Philosophy on Corporate Governance

The Company, in line with the philosophy of TVS Group, continues to follow the principles of Corporate Governance, by adopting fair, transparent and ethical governance practices. The Company is committed to conducting its business to achieve long term growth to enhance shareholders value and also value of other stakeholders.

The Company believes that good and effective Corporate Governance is a continuous and ongoing process. In line with the Corporate Governance principles, 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, integrity management are regularly assessed for its 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.

The Company is in compliance with the requirements of the guidelines on corporate governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchanges.

MANDATORY REQUIREMENTS

1. Board of Directors

A strong Corporate Governance is the key to business sustainability. This is overseen by the Board of Directors in respect of strategies, fairness to stakeholders, strong accounting principles and ethical corporate practices.

Composition of the Board of Directors as on 31st March, 2015:

Category	No. of Directors
Non Executive Chairman	1
Non Executive and Independent Directors	4
Other Non executive Directors	1
Woman Director	1
Executive Director (Managing Director)	1
Total	8

The structure consists of Board of Directors and various Sub-Committees overseeing the entire management.

At the Board meeting held on 6th May 2015, Mr. M. Lakshminarayan (DIN : 00064750), Mr. M F Farooqui (DIN : 01910054) were appointed as Non-Executive Independent Directors and Mr. Narayan K Seshadri (DIN : 00053563) was appointed as Non-Executive Non-Independent Director. Consequently, the composition of the Board as on date of this report comprised of total of Eleven Board members including six Non-Executive Independent Directors, four Non-Executive Non-Independent Directors and one Executive Director.

All the Directors have disclosed their 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 Listing Agreements.

During the financial year 2014-15, six Board Meetings were held respectively on 8th May, 29th July, 2014, 30th September, 2014, 5th November 2014, 5th February, 2015 and 27th March, 2015. The gap between any two meetings did not exceed four months.

The last Annual General Meeting (AGM) of the Company was held on 4th September, 2014 and six Directors including the Chairman of the Audit Committee attended the AGM.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during 2014-15 as on date of this report and the number of directorships and Committee Chairmanships/Memberships held by them in other companies are provided hereunder:

Report on Corporate Governance (Contd.)

Name of the Director	Category	No. of Board Meetings during the year 2014-15		Whether attended last AGM held on 4 th September, 2014	Number of other Directorships and Committee Memberships / Chairmanships		
		Held	Attended		Other Directorships (a)	Committee Memberships (b)	Committee Chairmanships
Mr. Gopal Srinivasan Chairman DIN 00177699	Chairman Non-Independent Non-Executive	6	5	Yes	13	1	-
Mrs. Srilalitha Gopal DIN 02329790	Non-Independent Non-Executive	6	6	No	3	-	-
Mr. K E Ranganathan Managing Director DIN 00058990	Non-Independent Executive	6	6	Yes	5	-	-
Mr. H Lakshmanan ¹ DIN 00057973	Non-Executive Non-Independent	3	3	Yes	18	7	4
Mr. D Sundaram DIN 00016304	Non-Independent Non-Executive	6	5	Yes	9	5	2
Mr. R Ramaraj DIN 00090279	Independent Non-Executive	6	5	Yes	10	2	-
Mr. Kenneth Tai DIN 01964412	Independent Non-Executive	6	2	No	8	-	-
Mr. Praveen Chakravarty DIN 00766422	Independent Non-Executive	6	5	Yes	5	-	-
Dr. Nagendra Palle DIN 06964686 ²	Independent Non-Executive	3	3	NA	1	-	-
Mr. M. Lakshminarayan ³ DIN 00064750	Independent Non-Executive	Not Applicable					
Mr. M F Farooqui ³ DIN 01910054	Independent Non-Executive						
Mr. Narayan K Seshadri ³ DIN 00053563	Non-Independent Non-Executive						

¹ Resigned from the Board effective close of business hours on 30th September, 2014. ² Appointed with effect from 30th September 2014. ³ Appointed with effect from 6th May 2015.
(a) includes directorship of private limited companies, Section 8 companies, and foreign companies (b) only membership of Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee of other companies have been considered which includes Committees where the Director is also Chairman.

None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company. None of the Directors are related to each other except Mr. Gopal Srinivasan and Mrs. Srilalitha Gopal who are spouses.

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 Clause 49 of the Listing Agreement 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.

Report on Corporate Governance (Contd.)

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 Company had already adopted the Code of Business Conduct and Ethics for Board members and senior management personnel of the Company at the Board meeting held on 27th January 2004. All Board members and senior management personnel have been affirming compliance with the Code on annual basis.

In line with the amendments made by SEBI to Clause 49 of the Listing Agreement effective 1st October 2014, the Code has been amended to include the "duties" of Independent Directors, as laid down under the Companies Act, 2013, as stipulated and adopted by the Board of Directors at their meeting held on 5th November, 2014.

The Code 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 31st March, 2015. The Annual Report contains a declaration to this effect signed by the Managing Director and the Company Secretary as the Compliance Officer of the Code.

Directors

Mr. Praveen Chakravarty, Mr. R Ramaraj Mr. Kenneth Tai and Dr. Nagendra Palte have satisfied the criteria of Independence under Section 149(6) of the Companies Act, 2013.

The shareholders of the Company at the 19th Annual General Meeting of the Company held on 4th September, 2014 have appointed Mr. Praveen Chakravarty and Mr. Kenneth Tai as Independent

Directors under Section 149(6) of the Companies Act, 2013, for a period of 5 years from 1st April 2014 to 31st March 2019, not liable to retire by rotation. The shareholders have also appointed Mr. R. Ramaraj as an Independent Director representing Small Shareholders under Section 151 of the Companies Act, 2013 for a period of 3 years, not liable to retire by rotation, by way of a Postal Ballot on 29th September, 2014

At the Board Meeting held on 30th September 2014, Dr. Nagendra Palte was appointed as a Director with effect from 30th September 2014 for a term of five years, subject to the approval of shareholders. At the Board Meeting held on 6th May 2015, Mr. M. Lakshminarayan and Mr M F Farooqui were appointed as Non-Executive Independent Directors with effect from 6th May 2015 for a term of five years, subject to the approval of shareholders. Mr. Narayan K Seshadri was appointed as a Non-Executive Non-Independent Director, with effect from 6th May 2015.

During the year, Mr. H Lakshmanan, Non-Executive Director resigned from the Board with effect from 30th September 2014.

Audit Committee

On 8th May, 2014, the Board had reconstituted the Audit Committee as required under Section 177 of the Companies Act, 2013 and also in line with the requirements of the Listing Agreement. The members of the Audit Committee possess financial / accounting expertise and exposure. The Audit Committee consists of majority of Independent Directors.

The members of the Audit Committee are:

Mr. Praveen Chakravarty - Non-Executive Independent - Chairman of the Committee
Mr. D Sundaram - Non-Executive Non-Independent
Mr. R Ramaraj - Non-Executive Independent
Dr. Nagendra Palte - Non-Executive Independent

The Committee's constitution and terms of reference are in compliance of the Companies Act, 2013, Clause 49 of the Listing Agreement as amended from time to time.

Report on Corporate Governance (Contd.)

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 4th September, 2014.

Powers of the Audit Committee:

- 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 annual financial statements before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Director's Responsibility Statement in terms of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management.
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with Accounting Standards and with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions; and
 - g. Qualifications in the draft audit report.
- 3) Reviewing, with the management, the quarterly and annual financial statements before submission to the Board for approval
- 4) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- 5) Reviewing and monitoring the Auditor's independence and performance, and effectiveness of Audit process.
- 6) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- 7) The recommendations of the Audit Committee on financial management including the Audit Report shall be binding on the Board. In case the Board does not accept the recommendations of the Committee it shall record the reasons there for and communicate such reasons to the Shareholders.
- 8) Discussion with internal auditors on any significant findings and follow up thereon.
- 9) Reviewing the findings of any internal investigations by the internal auditors or any other firms of Chartered Accountants or other entities/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 10) Discussion with Statutory Auditors before the audit commences nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- 11) 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.
- 12) Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
- 13) Reviewing the Company's financial and risk management policies.
- 14) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non - payment of dividends declared) and creditors.

Report on Corporate Governance (Contd.)

- 15) To review the functioning of the Whistle Blower and Vigil mechanism.
- 16) Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc. of the candidate.
- 17) Authority to investigate into any matter referred to it by the Board.
- 18) The Audit Committee shall mandatorily review the following information:
 - i) Management discussion and analysis of financial condition and results of operations;
 - ii) Approval or any subsequent modification of transactions of the Company with related parties;
 - iii) Scrutiny of inter-corporate loans and investments;
 - iv) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - v) Evaluation of internal financial controls and risk management systems;
 - vi) Reviewing with the management, the performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems;
 - vii) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - viii) Internal audit reports relating to internal control weaknesses; and
 - ix) The appointment, removal and terms of remuneration of the Chief internal auditor.
- 19) 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. Five Audit Committee Meetings were held during the year respectively on 8th May, 2014, 24th July, 2014 (two separate meetings) 5th November, 2014 and 5th February, 2015. The gap between any two meetings did not exceed four months.

Details of the Audit Committee Meeting:

The details of Audit Committee meetings attended by its members, in terms of the Listing Agreement, during the financial year 2014-15 are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Mr. Praveen Chakravarty, Chairman	Non-Executive Director-Independent	5	5
2.	Mr. H Lakshmanan*	Non-Executive Director-Non-Independent	3	1
3.	Mr. R Ramaraj	Non-Executive Director-Independent	5	4
4.	Dr. Nagendra Pale #	Non-Executive Director – Independent	2	2
5.	Mr. D Sundaram	Non-Executive Director-Non-Independent	5	5

* Resigned with effect from close of business hours on 30th September, 2014

Appointed with effect from 30th September, 2014.

3. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) has been constituted on 8th May, 2014 in the following manner in terms of Section 178 of the Companies Act, 2013 and also in line with the requirements of the Listing Agreement:

Mr. R Ramaraj - Non Executive Independent - Chairman of the Committee

Mr. Gopal Srinivasan - Non Executive Non Independent

Mr. D Sundaram - Non Executive Non Independent

Mr. Praveen Chakravarty - Non Executive Independent.

Report on Corporate Governance (Contd.)

Powers of the Nomination and Remuneration Committee

- 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 obtain advice and assistance from internal or external advisors, in connection with the functioning of the Committee, fix their fees, terms of engagement and delegate the power to any of the members of the Committee, in this regard to identify, discuss the scope, fees and other matters and report to the Committee.
- 8) To annually review and approve corporate goals and objectives relevant to remuneration, evaluate performance and determine and approve remuneration, Performance Incentive, Bonus and any other form of compensation to Chief Executive Officer, Chief Financial Officer and all other senior managers in Job Class 4 and above.
- 9) To approve any schemes with respect to remuneration, incentive, etc., to the extent directed or authorized by the Board.
- 10) To constitute and delegate authority to Sub-Committees when appropriate and to the extent possible.
- 11) To provide at least annually to the Board, a report regarding the Committee's discharge of responsibilities, overall performance, and recommendations for improvement in the design and effectiveness of the Committee.
- 12) To formulate the Human Resources related policies, policies in respect of Performance Compensation, incentives, recruitment and other matters.
- 13) 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, including:
 - a) Determining the eligibility criteria for grant of stock options for the permanent employees of the Company whether working in India or out of India and Directors of the Company, its subsidiaries and Holding Company, whether whole time Directors or otherwise (hereinafter collectively referred to as Employee(s)) as per the Company's ESOP Schemes.
 - b) the quantum of option to be granted under an ESOP per Employee and in aggregate.
 - c) the conditions under which options vested in Employees may lapse in case of termination of employment for misconduct;
 - d) the exercise period within which the Employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
 - e) the specified time period within which the Employee shall exercise the vested options in the event of termination or resignation or in the case of long leave of an employee;

Report on Corporate Governance (Contd.)

- f) the right of an Employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
- g) the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others.
- h) the number and the price of the options under the ESOP Schemes shall be adjusted in a manner such that total value of the ESOP remains the same after the corporate action;
- i) for this purpose global best practices in this area including the procedures followed in India and abroad shall be considered.
- j) the grant, vest and exercise of option in case of employees who are on long leave; and
- k) To frame suitable policies and systems in compliance with (a) Securities and Exchange Board of India (Insider Trading) Regulations, 1992; and (b) Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 1995, by any employee and to do such other acts, deeds as may be required under the SEBI guidelines in this regard.
- l) To obtain outside legal, accounting, capital market, investment banking, merchant banking and other professional advices as may be required.
- m) To secure the attendance of outsiders with relevant expertise, if it considers necessary.
- n) To decide the quantum of stock options to each of the eligible Employees based on the eligibility criteria.
- o) To formulate schemes for issue of shares under ESOP scheme including issue price of the Stock Options and fix the price at which the options will be granted to the employees,

from time to time and also for fixing stock options at different prices for different employees including the vesting period.

- 14) To carry out any other function as may be mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

- 15) To perform such other functions as may be necessary or appropriate for the performance of its duties.

The Nomination and Remuneration Committee met five times during the year on 8th May, 2014, 29th July, 2014, 4th September, 2014, 5th November 2014 and 5th February, 2015.

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. R Ramaraj, Chairman	Non-Executive Director-Independent	5	4
2.	Mr. Gopal Srinivasan	Non-Executive Director-Non-Independent	5	5
3.	Mr. D Sundaram	Non-Executive Director-Non-Independent	5	5
4.	Mr. Praveen Chakravarty	Non-Executive Director-Independent	5	5

Policy on Remuneration and Selection Criteria

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

The Nomination and Remuneration Policy (NRC) is posted on the website at www.tvs-e.in.

Report on Corporate Governance (Contd.)

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.

During the year, 2014-15, the Company paid Sitting Fees of Rs.10,000/- per meeting to its Non-Executive Directors for attending meetings of the Board and its Committees, post the Board approval on 8th May 2014. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending meetings.

Details of Remuneration for the year ended 31st March, 2015

(a) Non - Executive Directors

Name of the Director	Sitting Fees paid (Rs.)
Mr. Gopal Srinivasan	1,00,000
Mr. H Lakshmanan @	35,000
Mr. D Sundaram	1,62,500
Mr. R Ramaraj	1,65,000
Mr. Kenneth Tai	30,000
Mrs. Srilalitha Gopal	60,000
Mr. Praveen Chakravarty	1,82,500
Dr. Nagendra Palte #	60,000

@ resigned with effect from the close of 30th September, 2014

appointed with effect from 30th September, 2014

(b) Managerial Remuneration

During the previous year, Mr. K E Ranganathan, Managing Director is paid remuneration by way of consolidated salary and Variable pay amounting to Rs.80 Lakhs p.a.

(c) Shares held by Directors

Details of shares of the Company held by the Directors as on 31st March, 2015 are given below:

Name of the Director	Number of Equity Shares held
Mr. Gopal Srinivasan	150
Mr. K E Ranganathan	NIL
Mr. R. Ramaraj	35,000
Mr. D Sundaram	NIL
Mr. Kenneth Tai	NIL
Mr. Praveen Chakravarty	NIL
Mrs. Srilalitha Gopal	NIL
Dr. Nagendra Palte	NIL

There were no pecuniary relationships or transactions with the Non-executive Directors.

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.

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 with no direct or indirect material relationship with the Company or any of its officers and they meet all criteria specified in Section 149(7) of the Companies Act, 2013 and the Listing Agreement.

Report on Corporate Governance (Contd.)

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.

Board Evaluation

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.

Policy on Board Diversity

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

4. Stakeholders' Relationship Committee

During the year, the Committee met 4 times (including one meeting of the erstwhile Investor Grievances Committee. The details are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1	Mr. R Ramaraj	Non-Executive Director	4	4
2	Mr. D Sundaram	Non-Executive Director	4	4
3	Mr. Praveen Chakravarty ²	Non-Executive Director	3	3
4	Mr. H Lakshmanan ¹	Non-Executive Director	1	1

1. attended as a member of erstwhile Investor Grievance Committee.

2. became a member of the newly constituted Stakeholders Relationship Committee.

Complaints received and redressed during the financial year 2014-15:

Pending at the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
Nil	1	1	Nil

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

As on 31st March, 2015 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 31st March, 2015.

CSR Committee

Since the Company is not covered under the conditions prescribed under Section 135 of the Companies Act, 2013, the Company is not required to constitute Corporate Social Responsibility Committee.

Risk Management

The Company has formulated and implemented a detailed Risk Management Policy covering key aspects as provided under clause 49 of the Listing Agreement.

Meeting of Independent Directors

The Independent Directors met on 5th February 2015 and 6th May 2015 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.

Report on Corporate Governance (Contd.)

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.

5. General Body Meetings

a. Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2012	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road T. Nagar, Chennai - 600 017	04.08.2012	10.35 AM
2013	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road T. Nagar, Chennai - 600 017	23.08.2013	10.15 AM
2014	Narada Gana Sabha, No.314/254, TTK Road, Alwarpet, Chennai - 600 018	04.09.2014	10.00 AM

b. Extraordinary General Meeting

No Extraordinary General Meeting of the Members was held during the year.

c. Postal Ballot - April 2014

- (i) As per Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, approval of the shareholders by means of a Postal Ballot was sought vide Notice dated 5th February, 2014 for the following Special Resolutions :

1. Amended Employees Stock Option Scheme 2011 consequent to the change of Promoter / Holding Company.
2. Amended Articles of Association consequent to the change of Promoter / Holding Company.
3. The appointment and payment of remuneration of Ms. K Hema Rao as Manager under the Companies Act, 1956 for a period from 1st November, 2013 to 5th February, 2014.
4. The appointment and payment of remuneration of Mr. R Sridhar as Manager under the Companies Act, 1956 for a period from 1st November, 2013 to 5th February, 2014.
5. The appointment and payment of remuneration of Mr. K E Ranganathan, Managing Director with effect from 6th February, 2014.

- (ii) The Postal Ballot Notice together with ballots were despatched to the shareholders on 8th March, 2014. The Company also offered e-voting option to the members to vote electronically instead of dispatching the Postal Ballot Form. The Company has signed an agreement with NSDL for facilitating such e-voting by the Members.

- (iii) Mr. K Sriram of M/s. S Krishnamurthy & Co., Practising Company Secretary, Chennai was appointed as the Scrutinizer for conducting the Postal Ballot.

- (iv) The Postal Ballot Results were declared on April 11, 2014. The results were published in the newspapers and also disclosed to the Stock Exchanges. The same was posted on the website of the Company.

Report on Corporate Governance (Contd.)

The details of the Postal Ballot results are given below :

Particulars	Resolution-wise voting details				
	Amendments to the ESOP Scheme 2011	Amendments to the Articles of Association	Appointment and Remuneration of Ms. K Hema Rao as Manager from 1 st November, 2013 to 5 th February, 2014	Appointment and Remuneration of Mr. R Sridhar as Manager from 1 st November, 2013 to 5 th February, 2014	Appointment and Remuneration of Mr. K E Ranganathan as Managing Director from 6 th February, 2014
Total votes of eligible members	1,80,22,818	1,80,22,818	1,80,22,818	1,80,22,818	1,80,22,818
Total valid votes exercised	1,13,84,424	1,13,80,462	1,14,35,763	1,14,35,338	1,14,35,223
Votes cast for the resolution (In figures)	1,13,82,013	1,13,77,932	1,14,29,810	1,14,29,935	1,14,31,270
(In %)	99.98	99.98	99.95	99.95	99.97
Votes cast against the resolution (In figures)	2,411	2,530	5,953	5,403	3,953
(In %)	0.02	0.02	0.05	0.05	0.03

d. Postal Ballot - September 2014

- (i) As per Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing agreement with Stock Exchanges, approval of the shareholders by means of a Postal Ballot was sought vide Notice dated 29th July, 2014 for the following Resolutions:

1. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 - Consent for creation of Charge
2. Ordinary Resolution under Section 181 of the Companies Act, 2013 - Permission for contribution to bona fide Charitable and other Funds
3. Special Resolution under Section 186 of the Companies Act, 2013 - Approval for giving loan / guarantee or providing security or acquisition of securities
4. Ordinary Resolution under Section 151 of the Companies Act, 2013 -

Appointment of Independent Director representing Small Shareholders

- (ii) Mr. K Sriram of M/s. S Krishnamurthy & Co., Practising Company Secretary, Chennai was appointed as the Scrutinizer for conducting the Postal Ballot.
- (iii) The Company has provided electronic voting facility to the members.
- (iv) The Company has signed an agreement with NSDL for facilitating e-voting by the Members.
- (v) The Postal Ballot Notice together with ballots were despatched to the eligible shareholders:

Through Registered Post on 23rd August, 2014 to 14,623 members, along with postage prepaid business reply envelop;

Through electronic means by NSDL on 25th August, 2014 to 7,168 members who had provided email address for receipt of documents in electronic mode;

Report on Corporate Governance (Contd.)

Through Registered Post on 5th September, 2014 to 2 members in respect of whom e-mail sent by NSDL returned undelivered.

- (vi) The Postal Ballot Notice indicated the process and manner for voting by electronic means and also mentioned that the voting period
- (vii) The Postal Ballot Results were declared on September 29, 2014. The results were published in the newspapers and also disclosed to the Stock Exchanges. The same was posted on the website of the Company. The details of the Postal Ballot results are given below:

Particulars		Resolution-wise voting details			
		Consent for creation of Charge	Permission for contribution to bona fide Charitable and other Funds	Approval for giving loan / guarantee or providing security or acquisition of securities	Appointment of Independent Director representing Small Shareholders
Total votes of eligible members		1,80,22,818	1,80,22,818	1,80,22,818	1,80,22,818
Total valid votes exercised		1,16,18,066	1,16,16,324	1,16,32,982	1,16,18,367
Votes cast for the resolution	In figures	1,16,13,949	1,16,08,263	1,16,25,455	1,16,13,836
	In %	99.96	99.93	99.94	99.96
Votes cast against the resolution	In figures	4,117	8,061	7,527	4,531
	In %	0.04	0.07	0.06	0.04

e. Special Resolutions

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

Year	Subject matter of Resolution	Date of AGM
2011-12	Amendment to Articles of Association – e Governance	4 th August, 2012
2013-14	Borrowing Powers to the Board under Section 180(1)(c) of the Companies Act, 2013	4 th September, 2014

- f. None of the subjects placed before the shareholders in the last / ensuing Annual General Meeting required / requires approval by a Postal Ballot.

6. Related Party transactions

All transactions entered into with Related Parties as defined under Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arms length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. 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 Accounting Standards (AS18)

has been made in the notes to the Financial Statements.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website.

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

7. CEO / CFO certification

The Managing Director and Business Finance Controller of the Company have certified to the Board of Directors, inter-alia, the accuracy of financial statements of the Company as required under the Listing agreement.

Report on Corporate Governance (Contd.)

8. 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.

9. Training of Board Members

Presentations are made by the management team giving an overview and familiarize the directors with the operations and business model of the Company. The Directors are also apprised of the Industry developments and new initiatives and strategy of the Company from time to time. The Board members are presented with reports, internal policies and periodic presentations at the Board and Board Committee meetings.

10. Vigil and Whistle Blower mechanism:

The Company has formulated the Vigil and Whistle Blower Mechanism as required under the Companies Act, 2013 and Listing Agreement. The Company has appointed the Audit Committee Chairman as the Ombudsman for the mechanism, under which employees can directly report to the ombudsman.

All the mandatory requirements specified under Clause 49 of the Listing Agreements with Stock Exchanges have been complied with.

11. NON-MANDATORY REQUIREMENTS

The Company has fulfilled the following non-mandatory requirements as detailed below:

The Board:

The Board has a Non-Executive Chairman and no separate office has been maintained by the Company.

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.

Audit qualifications

There are no qualifications in the Auditors report to the members on the financial statements for the year ended 31st March 2015.

Separate posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and Managing Director.

Reporting of Internal Auditor

The Internal Auditor reports directly to the Audit Committee.

12. Means of Communication

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.tvse.in.

The Company's website (www.tvse.in) contains a separate section "Investors" where shareholders information, Annual Reports and other information is available.

Reminders to Investors on the unclaimed shares, unclaimed dividends are sent to shareholders every year.

13. General Information for Shareholders:

a. Annual General Meeting -

Date : Thursday, 6th August, 2015

Time : 3.15 PM

Venue: Sri Thyaga Bharahma Gana Sabha,
"Vani Mahal", 103, G.N. Road,
T.Nagar, Chennai - 600 017.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on Thursday, 6th August, 2015.

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

Report on Corporate Governance (Contd.)

- c. Financial reporting for the quarter ending for financial year ending 31st March, 2016 (Tentative).

30 th June, 2015	On or Before 14 th August, 2015
30 th September, 2015	On or Before 14 th November, 2015
31 st December, 2015	On or Before 14 th February, 2016
31 st March, 2016	On or Before 30 th May, 2016
Annual General Meeting 2016	Between August and September 2016

- d. Period of Book Closure - 3rd August, 2015 to 6th August, 2015 both days inclusive.

- e. No dividend recommended with a view to conserve the resources.

- f. Record date for ascertaining shareholders eligible to cast their votes for the items set out in the notice convening the AGM through e-voting - 31st July 2015.

14. 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 2015-16.

Corporate Identification Number (CIN) of the Company: L30007TN1995PLC032941.

15. Market Price Data

High, Low (based on closing prices) and number of shares traded during each month in the financial year 2014-15 on BSE Limited and National Stock Exchange of India Limited:

Month	BSE Limited			National Stock Exchange of India Limited		
	High (Rs.)	Low (Rs.)	Total No. of shares traded	High (Rs.)	Low (Rs.)	Total No. of shares traded
April, 2014	18.50	12.61	1,10,763	18.60	13.00	1,43,168
May, 2014	29.45	15.20	8,07,938	28.90	14.95	16,11,518
June, 2014	36.00	25.25	3,49,974	35.40	25.25	3,83,866
July, 2014	36.25	27.35	2,30,785	36.50	26.40	3,77,499
August, 2014	32.00	27.05	1,19,507	32.45	27.40	1,80,307
September, 2014	58.20	27.30	14,15,384	58.20	27.00	34,15,344
October, 2014	46.40	34.15	3,37,459	45.70	33.20	4,84,688
November, 2014	51.70	39.70	5,25,218	52.55	39.15	8,71,262
December, 2014	47.00	37.25	1,31,517	47.00	36.80	3,19,853
January, 2015	45.60	38.75	1,45,187	45.60	37.65	3,63,542
February, 2015	41.20	34.50	1,19,677	41.40	33.20	2,45,694
March, 2015	37.50	30.60	65,181	37.75	28.60	2,77,638

Report on Corporate Governance (Contd.)

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 (%)
2014-15	133.33	24.89
2013-14	(3.75)	18.85
2012-13	(10.40)	8.22

16. 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 11th October, 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 21st April, 2004.

Transfer of these shares is done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with SCL at the address given below:

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)

Transfer of shares in physical form is normally processed within ten days from the date of receipt, if the documents are complete in all respects.

17. a. Distribution of equity shareholding as on 31st March, 2015:

No. of shares held	No. of share Holders	% of share Holders	No. of shares held	% of share Holding
Upto 500	20,167	92.02	24,95,580	13.85
501 to 1000	1,000	4.56	8,22,692	4.56
1001 to 2000	370	1.69	5,76,968	3.20
2001 to 3000	131	0.60	3,32,807	1.85
3001 to 4000	63	0.29	2,22,979	1.24
4001 to 5000	51	0.23	2,41,966	1.34
5001 to 10000	83	0.38	6,19,560	3.44
10001 and above	51	0.23	1,27,10,266	70.52
TOTAL	21,916	100.00	1,80,22,818	100.00

b. Pattern of equity shareholding as on 31st March, 2015

Shareholders	No. of shares held	% of total shares held	No. of Share-holders
Promoter Company	1,11,60,093	61.92	1
Directors & Relatives	35,700	0.20	5
Corporate Bodies	8,15,551	4.53	306
Nationalised Banks / MF / UTI/PFI	67,050	0.37	13
Resident Individuals	56,40,900	31.30	20,811
Foreign Institutional Investors	100	0.00	1
Non-Resident Indians/ Overseas Corporate Bodies	3,03,424	1.68	719
TOTAL	1,80,22,818	100.00	21,916

18. Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of Equity shares of the Company in dematerialised and physical form as on 31st March, 2015, is given below:

Mode of Holding	%	No. of shareholders	No. of shares
Demat	94.28	17,071	1,69,90,523
Physical	5.72	4,845	10,32,295
Total	100.00	21,916	1,80,22,818

Report on Corporate Governance (Contd.)

- 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**.

Designated E-mail address for investor services :
investorservices@tvs-e.in

Compliance Officer :
Ms. S Nagalakshmi, Company Secretary
E-Mail ID : s.nagalakshmi@tvs-e.in

19. Plant / Repair Factory locations:

Plants

Oragadam

Plot No 0Z-11/2, Hi-Tech SEZ, SIPCOT,
Oragadam, Sriperumbudur Taluk,
Kancheepuram District - 602 105.

Uttarkhand

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

Repair Factory

New Delhi

168, Naraina Phase-1, New Delhi 110 028.

Noida

A-3, CDR Complex 2nd Floor, Naya Bans, Noida,
Uttar Pradesh - 201 301.

Kattupakkam

2/297, D R R Avenue, UDCO Nagar,
Kattupakkam, Chennai - 600 056.

20. 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

E-mail ID : kr.raman@scl.co.in,
sclshares@gmail.com,
investorscomplaintssta@scl.co.in

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

During the year under review, the Company has credited Rs.1.99 Lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 123 of the Companies Act, 2013.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 4th September 2014 (date of last Annual General Meeting) on the Company's website (www.tvs-e.in).

Status of unclaimed dividends due for remittance into IEPF is given below:

Financial Year	Date of Declaration	Due Date for transfer to IEPF	Amount (Rs. in Lakhs)
31.3.2008	05.09.2008	03.10.2015	3.05

22. Unclaimed Share Certificates

In terms of Clause 5A of the Listing Agreement, 94,182 shares were dematerialised and transferred to Unclaimed Suspense Account. The voting rights of such shares shall remain frozen till the rightful owner claims the shares.

23. Compliance Certificate from Statutory Auditors

Certificate from M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, confirming compliance with conditions of Corporate Governance under Clause 49 of the Listing Agreement is forming part of this Annual Report.

Report on Corporate Governance (Contd.)

24. Secretarial Compliance Certificate from Secretarial Auditor

Secretarial Audit Report given by M/s. S Krishnamurthy & Co, Practising Company Secretaries is forming part of this Annual Report.

25. Employee Stock Options

The information on Options granted by the Company during the financial year 2014-15 and other particulars with regard to Employees' Stock Options are set out under Board's Report.

26. 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 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.
- Green Initiative - as permitted under Rule 11 of the Companies (Accounts) Rules, 2014, Companies can circulate the Annual Report through electronic means to those members with registered email IDs with NSDL or CDSL or with the Company. 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.

Auditors Certificate

Auditors Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements

To

The Shareholders of TVS Electronics Limited
Chennai - 600 006

We have examined the compliance of the conditions of Corporate Governance by TVS Electronics Limited, Chennai for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances, are pending for a period exceeding one month against the Company as per the records maintained by the Stakeholders' Relationship Committee.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration No: 004207S

M. BALASUBRAMANIAM

Partner

Membership No.F7945

Chennai
6th May, 2015

Declaration pursuant to Clause 49 of the Listing Agreement regarding adherence to the Code of Business Conduct and Ethics

To

The Shareholders of
TVS Electronics Limited
Chennai - 600 006

On the basis of the written declaration received from Members of the Board and Senior Management Personnel in terms of the relevant provisions of Clause 49 of the Listing Agreement, we hereby certify that both the Members of the Board and the Senior Management personnel of the Company have affirmed compliance with the respective provisions of the Code of Business Conduct and Ethics of the Company as laid down by the Board for the year ended 31st March, 2015.

Chennai
6th May, 2015

K E Ranganathan
Managing Director

S Nagalakshmi
Company Secretary

Independent Auditors' Report

To the Members of
TVS Electronics Limited,
Chennai – 600006.

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TVS Electronics Limited, Chennai - 600 006 ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory 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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which

are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements read together with the annexure to our report give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- ii. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

Independent Auditors' Report (Contd.)

- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in Annexure, a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, and the Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March,

2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer note no. 26(5) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

M BALASUBRAMANIAM
Partner
Membership No: F7945

Chennai
May 06, 2015

Annexure to the Auditors' Report

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2015

- | | |
|--|--|
| <p>i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) The Assets are physically verified, in phases, by the management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification. The discrepancies noticed on such verification have been appropriately dealt with in the books of accounts.</p> <p>(ii) (a) The inventory has been physically verified at reasonable intervals during the year by the management. In our opinion, the frequency of such verification is adequate. It was represented to us that inventories with third parties are also verified from time to time.</p> <p>(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.</p> <p>(c) In our opinion, the company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.</p> <p>(iii) During the year, the company has not granted loan to any company, firm or other parties covered in the register maintained under section 189 of the Companies Act, 2013.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no</p> | <p>continuing failure has been noticed in the internal control system.</p> <p>(v) The company has not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and 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 or complete.</p> <p>(vii)(a) According to the records provided to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax,</p> <p>Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities. However, we have observed a few instances of belated remittance of Service Tax and Tax Deducted at Source.</p> <p>(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.</p> <p>(c) According to information and explanations given to us, the following are the details of the disputed dues, that were not deposited with the concerned authorities:</p> |
|--|--|

Annexure to the Auditors' Report (Contd.)

Name of the Statute	Nature of dues	Amount (₹ in lakhs)	Forum where dispute is pending
Sales Tax - Central Sales Tax / Value Added Tax of various states	Sales tax	84.69	Departmental Authorities of various States
		7.25	Kerala Agricultural Income Tax & Sales Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	429.08	Commissioner of Income Tax (Appeals), Chennai.
	Tax deducted at Source and interest thereon	14.09	
Central Excise Act, 1944	Excise Duty	13.23	Customs, Excise and Service Tax Appellate Tribunal, Chennai (CESTAT).

- (d) During the year the company has transferred the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and rules made there under within time.
- viii. The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding financial year.
- (ix) Based on our verification and according to the information and explanations given by the management, the company has not defaulted in repayment of dues to its bank.
- (x) The Company has not furnished any guarantees for loans taken by others from a bank or a financial institution.
- (xi) The company has not availed any fresh term loan during the year. The loan availed in earlier year was applied for the purpose for which it was availed.
- (xii) Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

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

M BALASUBRAMANIAM
Partner
Membership No: F7945

Chennai
May 06, 2015



Balance Sheet as at 31st March, 2015

₹ in Lakhs

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	1,802.28	1,802.28
(b) Reserves and surplus	2	1,968.36	1,748.53
		<u>3,770.64</u>	<u>3,550.81</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	-	330.00
(b) Deferred tax liabilities (Net)		376.08	384.78
(c) Other Long term liabilities	4	24.03	0.63
(d) Long-term provisions	5	209.69	162.12
		<u>609.80</u>	<u>877.53</u>
3 Current liabilities			
(a) Short-term borrowings	6	5,330.22	5,466.33
(b) Trade payables		2,801.06	2,195.50
(c) Other current liabilities	7	1,230.63	917.91
(d) Short-term provisions	8	489.47	350.12
		<u>9,851.38</u>	<u>8,929.86</u>
TOTAL		<u><u>14,231.82</u></u>	<u><u>13,358.20</u></u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		1,810.98	1,901.16
(ii) Intangible assets		2,262.20	2,584.33
(iii) Intangible assets under development		-	3.17
(b) Non-current investments	10	134.39	134.39
(c) Long-term loans and advances	11	3,194.43	3,070.91
(d) Other non-current assets	12	38.99	86.28
		<u>7,440.99</u>	<u>7,780.24</u>
2 Current assets			
(a) Inventories	13	2,789.21	1,681.67
(b) Trade receivables	14	2,907.70	2,848.52
(c) Cash and cash equivalents	15	173.32	319.76
(d) Short-term loans and advances	16	518.69	549.37
(e) Other current assets	17	401.91	178.64
		<u>6,790.83</u>	<u>5,577.96</u>
TOTAL		<u><u>14,231.82</u></u>	<u><u>13,358.20</u></u>
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director
Chennai
May 6, 2015

S. NAGALAKSHMI
Company Secretary

As per our report of even date annexed

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

M BALASUBRAMANIAM
Partner
Membership No: F 7945

Statement of Profit and Loss for the Year ended 31st March, 2015

₹ in Lakhs

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
I. Revenue from operations	18	27,204.28	24,869.50
Less: Excise Duty		198.36	127.66
		27,005.92	24,741.84
II. Other income	19	97.18	219.93
III. Total Revenue (I + II)		27,103.10	24,961.77
IV. Expenses:			
Cost of materials consumed	20	10,202.31	9,069.02
Purchases of Stock-in-Trade	20	7,533.43	7,074.58
Changes in inventories of finished goods, work-in-process & stock-in-trade	20	(276.99)	242.16
Employee benefits	21	2,638.98	2,309.61
Finance costs	22	692.16	742.52
Depreciation and Amortization expense		696.77	566.00
Other Expenses	23	5,323.88	4,828.15
Total Expenses		26,810.54	24,832.04
V. Profit before exceptional and extraordinary items and tax (III - IV)		292.56	129.73
VI. Exceptional items	24	-	63.45
VII. Profit before extraordinary items and tax (V - VI)		292.56	66.28
VIII. Income from Extraordinary Items	25	24.06	-
IX. Profit before tax (VII + VIII)		316.62	66.28
X. Tax Expense:			
(1) Current tax		62.00	2.50
(2) Deferred tax		31.05	39.99
(3) Tax relating to earlier years		(5.53)	(16.23)
		87.52	26.26
XI. Profit/(Loss) for the period (IX - X)		229.10	40.02
XII. Earnings per equity share: (Refer Note 26(1)-AS 20)			
EPS before Extraordinary Income			
(1) Basic		1.17	0.22
(2) Diluted		1.14	0.22
EPS after Extraordinary Income			
(1) Basic		1.27	0.22
(2) Diluted		1.25	0.22
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director
Chennai
May 6, 2015

S. NAGALAKSHMI
Company Secretary

As per our report of even date annexed

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

M BALASUBRAMANIAM
Partner
Membership No: F 7945

Notes to Balance Sheet

Note No. 1 - Share Capital

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of par value of ₹ 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued				
Equity Shares of par value of ₹ 10/- each	1,80,22,818	1,802.28	1,80,22,818	1,802.28
Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid	1,80,22,818	1,802.28	1,80,22,818	1,802.28
Total Share Capital	1,80,22,818	1,802.28	1,80,22,818	1,802.28

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

Particulars	Equity Shares	
	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	18,022,818	1,802.28
Shares allotted during the year	-	-
Shares outstanding at the end of the year	18,022,818	1,802.28

Right and preferences attached to equity share:

- Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.
- There are no restrictions attached to the equity shares.

Particulars of shares held by the Holding Company

Out of equity shares issued by the Company, shares held by the Holding Company are as below :

Name of the Holding Company	No. of Shares held	
	As at 31.03.2015	As at 31.03.2014
Sundaram Investment Limited, Chennai	11,160,093	10,958,264

Details of shareholders holding more than five per cent shares

Name of the Shareholder	No. of Shares held	
	As at 31.03.2015	As at 31.03.2014
Sundaram Investment Limited, Chennai	11,160,093	10,958,264

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 2 - Reserves and Surplus		
a. Capital Reserves		
Balance at the beginning of the year	60.60	60.60
Closing Balance (a)	60.60	60.60
b. Securities Premium Account		
Balance at the beginning of the year	1,326.55	1,281.92
Add : Securities premium on allotment during the year	-	44.63
Closing Balance (b)	1,326.55	1,326.55
c. Share Options Outstanding Account		
Balance at the beginning of the year	0.84	1.05
(+) Current Year Transfer	73.50	-
(-) Written Back in Current Year	-	0.21
Closing Balance (c)	74.34	0.84
d. Other Reserves:		
General Reserve		
Balance at the beginning of the year	349.58	349.58
(+) Transfer from Investment Allowance Reserve	27.46	-
(-) Depreciation as per new Schedule II of Companies Act, 2013	122.52	-
(+) Creation of Deferred Tax Asset on above	39.75	-
Closing Balance (d)	294.27	349.58
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
Closing Balance (e)	15.00	15.00
f. Investment Allowance Reserve		
Balance at the beginning of the year	27.46	27.46
(-) Transferred to General Reserve	27.46	-
Closing Balance (f)	-	27.46
g. Surplus i.e. Balance in the Statement of Profit & Loss		
Balance in the Statement of Profit & Loss as at the beginning of the year	(31.50)	(71.52)
(+) Net Profit/(Net Loss) For the current year	229.10	40.02
Closing Balance (g)	197.60	(31.50)
Total (h) = (a)+(b)+(c)+(d)+(e)+(f)+(g)	1,968.36	1,748.53

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 3 - Long-term borrowings		
Secured		
Term loans		
From bank #	-	330.00
(Secured by first pari passu hypothecation charge on the entire fixed assets of the company and second pari passu hypothecation charge on the company's entire current assets)		
# Loan repayable in twelve quarterly instalments commencing from November 2012		
Total	-	330.00
(a) Description of loan	Corporate Loan	
(b) Total Loan repayable over term of loans	2,000.00	
(c) Frequency of repayment(s)	Quarterly	
(d) No. of instalments	12	
(e) Amount payable in each instalment	167.00	
(f) Maturity Date	01.08.2015	
(g) Loan repayable in FY 2012-13 and Paid	334.00	
(h) Loan repayable in FY 2013-14 and Paid in FY 2012-13 (installment repaid in advance)	167.00	
(i) Loan repayable in FY 2013-14 and Paid	501.00	
(j) Loan repayable in FY 2014-15 and Paid	668.00	
(k) Loan Balance as on 31.03.2015	330.00	
(included in Short term Borrowings)		
Note No. 4 - Other Long-Term Liabilities		
Income received in advance		
Unexpired Annual Maintenance Contracts	24.03	0.63
Total	24.03	0.63
Note No. 5 - Long-Term Provisions		
(a) Employee benefits		
Leave encashment	55.36	45.08
(b) Warranty & Sales Tax		
Warranty	97.34	76.67
Sales Tax	32.62	28.62
(c) Expenses	24.37	11.75
Total (a) + (b) + (c)	209.69	162.12

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 6 - Short-Term Borrowings		
SECURED		
Loans repayable on demand		
From bank	2,800.00	2,800.00
(Secured by a first charge on all movable properties of the Company, present and future, a pari passu charge on the current assets of the Company by hypothecation of raw materials, components, work in process, finished goods, book debts, stores and spares and further secured by a second charge on immovable properties on a paripassu basis to the consortium of banks).		
SECURED		
From banks	360.92	1,260.44
(Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)		
	<u>3,160.92</u>	<u>4,060.44</u>
UNSECURED		
Loans repayable on demand		
From banks	2,169.30	1,405.89
	<u>2,169.30</u>	<u>1,405.89</u>
Total	<u>5,330.22</u>	<u>5,466.33</u>
Note No. 7 - Other Current Liabilities		
Interest accrued and due on borrowings	36.31	42.68
Interest accrued but not due on borrowings	6.26	7.11
Income received in advance-Unexpired Annual Maintenance Contracts	29.66	19.53
Unclaimed dividends	3.05	5.10
Other payables :		
Statutory Liabilities	125.76	105.96
Security Deposits	98.82	96.64
Employee's Related	96.92	98.58
Liability towards expenses	833.85	542.31
Total	<u>1,230.63</u>	<u>917.91</u>
Note No. 8 - Short Term Provisions		
(a) Employee benefits		
Leave Encashment	16.21	2.81
(b) Warranty	182.74	150.80
(c) Expenses	290.52	196.51
Total (a) + (b) + (c)	<u>489.47</u>	<u>350.12</u>

Notes to Balance Sheet (Contd.)

Note No. 9 - Fixed Assets									
Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 01.04.2014 ₹ in Lakhs	Additions ₹ in Lakhs	Disposals ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs	Balance as at 01.04.2014 ₹ in Lakhs	Depreciation charge for the year ₹ in Lakhs	Withdrawn on disposals ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs	Balance as at 31.03.2014 ₹ in Lakhs
a) Tangible Assets									
Land	24.43		0.17	24.26	-	-	-	24.26	24.43
Assets under lease	199.15			199.15	2.11	2.11	-	194.93	197.04
Land Total	223.58	-	0.17	223.41	2.11	2.11	-	219.19	221.47
Buildings including improvements	973.89	95.80	15.54	1,054.15	408.74	78.67	12.98	579.72	565.15
Buildings Total	973.89	95.80	15.54	1,054.15	408.74	78.67	12.98	579.72	565.15
Plant and Equipment	3,489.08	70.76	1.27	3,558.57	2,604.41	234.93	1.16	720.39	884.67
Plant and Equipment Total	3,489.08	70.76	1.27	3,558.57	2,604.41	234.93	1.16	720.39	884.67
Furniture and Fixtures	190.75	56.57	-	247.32	79.80	49.47	-	118.05	110.95
Furniture and Fixtures Total	190.75	56.57	-	247.32	79.80	49.47	-	118.05	110.95
Vehicles	0.55	57.35	-	57.90	0.17	5.15	-	52.58	0.38
Vehicles Total	0.55	57.35	-	57.90	0.17	5.15	-	52.58	0.38
Office equipment	1,446.75	95.74	673.26	869.23	1,328.21	92.77	672.80	121.05	118.54
Office equipment Total	1,446.75	95.74	673.26	869.23	1,328.21	92.77	672.80	121.05	118.54
Tangible Assets Total	6,324.60	376.22	690.24	6,010.58	4,423.44	463.10	686.94	1,810.98	1,901.16
b) Intangible Assets									
Computer software	141.72	34.06	-	175.78	85.35	46.21	-	44.22	56.37
Computer software Total	141.72	34.06	-	175.78	85.35	46.21	-	44.22	56.37
Intellectual Property Rights	800.00	-	-	800.00	760.00	-	-	40.00	40.00
Business Rights	3,262.91	-	-	3,262.91	774.95	309.98	-	2,177.98	2,487.96
Intellectual Property and Business Rights Total	4,062.91	-	-	4,062.91	1,534.95	309.98	-	2,217.98	2,527.96
Intangible Assets Total	4,204.63	34.06	-	4,238.69	1,620.30	356.19	-	2,262.20	2,584.33
c) Intangible Assets under development			Capitalised						
Computer Software	3.17	-	3.17	-	-	-	-	-	3.17
Intangible Assets under development Total	3.17	-	3.17	-	-	-	-	-	3.17
Grand Total	10,532.40	410.28	693.41	10,249.27	6,043.74	819.29	686.94	4,073.18	4,488.66
Charged to Profit Viz. Statement of Profit and Loss						696.77			
Charged to Retained Earnings						122.52			

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03. 2015	As at 31.03.2014
Note No. 10 - Non-Current Investments - Traded Unquoted (At Cost)		
(a) Investment in Equity instruments	95.73	95.73
(b) Other investments	38.66	38.66
Total	134.39	134.39

Details of Non-Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV/ Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		₹ in Lakhs		Whether stated at Cost Yes / No	If Answer to Column (9) is 'No' - Basis of Valuation
	(1)	(2)	(3)		(4)	(5)	(6)		(7)	(8)	(9)	(10)
			2015	2014			2015	2014	2015	2014		
(a)	Investment in Equity Instruments - Trade Unquoted											
i)	Prime Property Holdings Limited, Chennai	Subsidiary	50,000	50,000	Unquoted	Fully paid	100%	100%	5.00	5.00	Yes	NA
ii)	Modular Infotech Private Limited, Pune	Others	907,255	907,255	Unquoted	Fully paid			90.73	90.73	Yes	NA
	Sub Total								95.73	95.73		
(b)	Other investments:											
	Capital contribution to TVS Shriram Growth Fund, Chennai	Others	3,866.18	3,866.18	Unquoted	Fully paid	-	-	38.66	38.66	Yes	NA
	Total	Vide Note No: 10							134.39	134.39		

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 11 - Long Term Loans and Advances - Unsecured, considered good		
a. Capital Advances	55.43	5.00
(a)	<u>55.43</u>	<u>5.00</u>
b. Security Deposits	2,841.78	2,740.06
(b)	<u>2,841.78</u>	<u>2,740.06</u>
c. Others :		
(i) Balance with Statutory Authorities:		
Customs	13.60	13.60
Sales tax	12.22	12.22
Advance payment of income tax less provision	137.45	173.01
	<u>163.27</u>	<u>198.83</u>
(ii) Advances to Vendors	133.95	127.02
(c)	<u>297.22</u>	<u>325.85</u>
Total (a+b+c)	<u>3,194.43</u>	<u>3,070.91</u>
Note No. 12 - Other non-current assets		
Claims Receivable - Sales Tax	38.99	86.28
Total	<u>38.99</u>	<u>86.28</u>
Note No. 13 - Inventories		
a. Raw Materials and components (at Cost)		
Components	405.34	462.43
Indirect material	14.98	18.74
Goods-in transit	218.22	22.58
	<u>638.54</u>	<u>503.75</u>
b. Finished goods (at Cost or Net realisable value whichever is lower)		
Manufactured	352.65	75.66
Traded	1,496.24	1,102.26
Goods-in transit	301.78	-
	<u>2,150.67</u>	<u>1,177.92</u>
Total (a+b)	<u>2,789.21</u>	<u>1,681.67</u>

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 14 - Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	2,882.24	2,801.33
	<u>2,882.24</u>	<u>2,801.33</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	25.46	47.19
Unsecured, considered doubtful	50.96	16.42
	<u>76.42</u>	<u>63.61</u>
Less: Provision for doubtful debts	50.96	16.42
	<u>25.46</u>	<u>47.19</u>
Total	<u><u>2,907.70</u></u>	<u><u>2,848.52</u></u>
Note No. 15 - Cash and Cash equivalents		
a. Balances with banks	166.07	312.38
b. Cash on hand	4.20	2.28
c. Earmarked balances with banks (Unclaimed dividend)	3.05	5.10
Total (a+b+c)	<u><u>173.32</u></u>	<u><u>319.76</u></u>
Note No. 16 - Short-term Loans and Advances		
Balance with Statutory Authorities:		
Sales Tax	62.66	98.70
Central Excise	38.88	28.03
Advance payment of income tax less provision	327.53	327.53
Others		
Prepaid expenses	77.23	83.68
Employee Advances	12.39	11.43
Total	<u><u>518.69</u></u>	<u><u>549.37</u></u>
Note No. 17 - Other current assets		
a. Interest Receivable	0.25	0.18
b. Unbilled Revenue	401.66	178.46
Total (a+b)	<u><u>401.91</u></u>	<u><u>178.64</u></u>

Notes to Statement of Profit and Loss

₹ in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Note No. 18 - REVENUE FROM OPERATIONS		
Sale of products	21,905.90	20,606.60
Sale of services	5,285.90	4,250.06
Other operating revenues	12.48	12.84
	<u>27,204.28</u>	<u>24,869.50</u>
Less : Excise duty	198.36	127.66
Total	<u>27,005.92</u>	<u>24,741.84</u>
Note No. 19 - OTHER INCOME		
Interest	7.39	86.48
Dividend	4.99	4.54
Profit on sale of investments	-	4.08
Profit on sale of fixed assets	0.64	5.86
Foreign exchange fluctuation gain	81.80	110.65
Management Services	1.50	6.00
Other non-operating income	0.86	2.32
Total	<u>97.18</u>	<u>219.93</u>
Note No. 20 - COST OF MATERIALS CONSUMED AND CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
A) COST OF MATERIALS CONSUMED		
a) Opening stock	503.75	624.07
b) Add: Purchases *	10,337.10	8,948.70
	<u>10,840.85</u>	<u>9,572.77</u>
c) Less: Closing stock	638.54	503.75
Total (A)	<u>10,202.31</u>	<u>9,069.02</u>
B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
a) Opening stock		
Finished Goods	75.66	317.82
Less: Excise Duty on Finished Goods	1.47	8.58
	<u>74.19</u>	<u>309.24</u>
(i)		
b) Closing stock:		
Finished Goods	352.65	75.66
Less: Excise Duty on Finished Goods	4.98	1.47
	<u>347.67</u>	<u>74.19</u>
(ii)		
Total (B)	<u>(273.48)</u>	<u>235.05</u>
Add: (Less): Excise Duty on opening and closing of Finished Goods (Net)	(3.51)	7.11
GRAND TOTAL [A + B]	<u>9,925.32</u>	<u>9,311.18</u>
PURCHASES OF STOCK-IN-TRADE		
a) Opening stock	1,102.26	716.07
b) Add: Purchases **	8,229.18	7,460.77
	<u>9,331.44</u>	<u>8,176.84</u>
c) Less: Closing stock	1,798.01	1,102.26
Consumption of Traded Items	<u>7,533.43</u>	<u>7,074.58</u>

* Components and parts of Computer Peripherals ** Finished goods of Computer Peripherals viz., Point of sale products and Keyboards

Notes to Statement of Profit and Loss (Contd.)

₹ in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Note No. 21 - EMPLOYEE BENEFITS		
Salaries and wages	2,237.99	2,058.75
Leave Encashment	17.25	7.57
Contributions to Provident & other funds	139.31	120.61
Employee Stock Option Scheme (ESOP)	73.50	(0.21)
Welfare expenses	170.93	122.89
Total	2,638.98	2,309.61
Note No. 22 - FINANCE COSTS		
Interest expense	653.72	730.34
Other borrowing costs - Loan processing charges	38.44	12.18
Total	692.16	742.52
Note No. 23 - OTHER EXPENSES *		
Consumption of stores and spares	91.47	61.86
Power and Fuel	115.30	102.42
Rent	592.97	387.38
Repairs & Maintenance - Building	272.96	214.85
Repairs & Maintenance - Plant & Equipment	28.93	24.33
Repairs & Maintenance - Office Equipments	206.45	169.03
Repairs & Maintenance - Vehicle	3.17	2.15
Insurance	74.14	67.31
Rates and Taxes (excluding taxes on income)	55.33	53.14
Audit Fees [Refer Note 26 (6)]	21.48	19.06
Directors Sitting Fees	7.95	1.38
Loss on Sale of Assets	0.42	25.98
Carriage Outward	502.39	523.37
Sales commission, discounts	167.68	454.09
Warranty Expenses	147.44	147.17
Marketing	67.21	73.61
Travelling & Conveyance	433.61	413.96
Legal & Consultancy	463.68	690.92
Data Processing	20.68	26.38
Outsource Staffing Services	1,165.03	685.73
Miscellaneous expenses	885.59	684.03
(Under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs 1 lakh, whichever is higher)		
Total	5,323.88	4,828.15



Notes to Statement of Profit and Loss (Contd.)

₹ in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Note No. 24 - EXCEPTIONAL ITEMS		
Restructuring of Manufacturing Plant	-	22.42
Relocation of repair factory	-	21.03
Settlement of Claim by a Service Provider	-	20.00
Total	-	63.45
Note No. 25 - EXTRAORDINARY ITEMS		
Income from sale of land	24.06	-
Total	24.06	-

Notes to Accounts

1 ACCOUNTING STANDARDS COMPLIANCE

The financial statements have been prepared in accordance with the norms and principles prescribed in the Accounting Standards issued by the Institute of Chartered Accountants of India which are itemised below.

AS - 1 Disclosure of accounting policies

The Company is following accrual basis of accounting on a going concern concept and the policies applied are consistent with those applied in the previous year.

AS - 2 Valuation of inventories

- a Raw materials, components, stores and spares and other trading products are valued at cost determined on weighted average basis. Finished goods and traded goods are valued at the aggregate of material cost and applicable direct and indirect overheads or net realisable value whichever is lower.
- b Excise Duty in respect of finished goods lying within the factory are included in the valuation of inventories.
- c Goods-In-Transit, both Raw materials and Traded items sent by supplier on FOB basis are recognized based on Confirmation received from the Vendor regarding the despatch of goods. Goods-in-Transit available at Bonded Warehouses are recognized based on Bond Statement / Confirmation from authorities.
- d As per practice consistently followed, Customs Duty and Countervailing Duty payable on raw materials, components and finished goods lying in customs bonded warehouses is accounted for on debonding. Non-provision of this duty will not affect the profit for the year.

AS - 3 Cash Flow Statement

Cash Flow Statement has been prepared under "Indirect Method".

AS - 4 Contingencies and Events occurring after the Balance Sheet date

There are no contingencies and events after the Balance Sheet date that affect the financial position of the Company. Contested liabilities and outstanding bank guarantees are disclosed by way of a note.

AS - 5 Net Profit or Loss for the year, prior period items and changes in accounting policies

Details of prior period items in the Statement of Profit and Loss :

	As at / Year ended 31.03.2015	₹ in Lakhs As at / Year ended 31.03.2014
i) Expenses		
Welfare	0.27	0.73
Repairs and Maintenance- Plant and Equipment	0.34	0.06
Repairs and Maintenance- Office Equipments	-	0.02
Other expenses	1.57	0.01
Consultancy	1.14	-
	<u>3.32</u>	<u>0.82</u>

AS - 6 Depreciation Accounting

Depreciation has been provided on Straight Line Method on the basis of useful life of the assets as prescribed by Schedule II to the Companies Act, 2013.

- i) Depreciation for the year is higher by ₹ 43.64 Lakhs on the implementation of the rates prescribed in Schedule II to the Companies Act, 2013.

Notes to Accounts (Contd.)

- ii) Based on the transitional provisions as per Note 7(b) of Schedule II, an amount of ₹ 122.52 Lakhs (net of Deferred Tax of ₹ 82.77 Lakhs) has been deducted from retained earnings, without retaining 5% residual value, pertaining to assets whose balance useful life as on 1st April, 2014 was NIL. The residual value of such assets are NIL based on technical valuation.
- iii) The useful life of the assets are arrived at by retaining 5% of the cost of asset as residual value except in the following where the residual value is arrived at on the basis of valuation :
 - a) On assets whose actual cost does not exceed ₹ 5,000 individually, depreciation has been provided at 100%.
 - b) In respect of Leasehold Land with a lease period of 99 years, depreciation has been amortised over the tenure of lease, effective 1st April, 2013.
 - c) Useful life of Tools & Moulds and Office Equipments are estimated at 3 years based on technical valuation.
 - d) In respect of Software, the useful life is estimated at 2 years.
 - e) Computers, Office Equipments, Furniture & Fixtures, Electrical Installations and Improvement to building taken on lease used in walk-in centres are depreciated over three years while the same category of assets in factory, branches, etc are depreciated as per Schedule II of the Companies Act, 2013.

AS - 7 Construction Contracts

This Accounting Standard is not applicable.

AS - 8 Research and Development

This Accounting Standard is withdrawn.

AS - 9 Revenue Recognition

- a Income and Expenditure are accounted on a going concern basis.
- b The Company's income consists of income from sale of manufactured equipments, traded goods, after sales service, warranty management & repair services, income from Information Technology (IT) related consultancy services and e-auction services.
- c Sale is accounted net of Excise Duty, Service Tax and Sales Tax / Value Added Tax.
 - i) Income from consultancy services and annual maintenance contracts are considered on accrual basis.
 - ii) Income from services is recognised after rendering services.
 - iii) Income from Information Technology solutions are recognised depending upon the stage of completion of the project.
- d Other income includes realised exchange fluctuation gain on Sale of products, Sale of services of ₹ 81.80 lakhs (Previous year ₹ 110.65 lakhs).
- e Interest income is recognised on a time proportion basis taking into account the amount of outstanding and the rate applicable.
- f Dividend Income is recognised when the Company in which shares are held, declares the dividend and when the right to receive the same is established.
- g In respect of domestic sale of manufactured and traded items, the recognition is on the basis of delivery of goods to the designated transporters of the Customer, while in respect of export sales the recognition is on the basis of "LET Export" certificate issued by Customs Authorities

AS - 10 Fixed Assets

Fixed Assets are stated at cost of acquisition or construction cost net of CENVAT and includes expenditure incurred upto the date the asset is put to use, less accumulated depreciation.

Technical know-how fees paid is capitalised under Plant and Equipment.

Temporary constructions / alteration costs are charged off in the same year.

Notes to Accounts (Contd.)

Lease hold land represents ₹ 199.15 lakhs (Previous year ₹ 199.15 Lakhs) paid to State Industrial Promotion Corporation of Tamil Nadu Limited (SIPCOT), Chennai for 6.16 acres of land in their Oragadam Special Economic Zone (SEZ), Tamil Nadu. The lease period is 99 years and accordingly the cost is amortised effective 1st April 2013.

During the year, cost of certain office equipments which were fully depreciated in earlier years and carried at NIL value in the books were removed with corresponding debit to accumulated depreciation reserve.

AS - 11 Effects of Changes in foreign exchange rates

- a Purchase of imported raw materials, components, spare parts and capital goods are accounted based on retirement memos from banks. In respect of liabilities on import of raw materials, components, spare parts and capital goods which are in transit and where invoices / bills are yet to be received, the liability is accounted based on the market exchange rate prevailing on the date of the Balance Sheet.
- b Year end foreign currency denominated liabilities and receivables are translated at exchange rates prevailing as at Balance Sheet date, the difference being charged/credited to respective revenue or capital account. Any difference between the forward rate and the exchange rate on the date of inception of forward contract is recognised as discount or premium over the period of the contract.
- c Other income includes realised exchange fluctuation gain on Sale of products, Sale of services of ₹ 81.80 lakhs (Previous year ₹ 110.65 lakhs).
- d Derivative transactions :

The Company uses forward exchange contracts to hedge its exposure in foreign currency in respect of Imports of Inputs.

- a) Forward exchange contracts outstanding as at 31st March, 2015

				₹ in Lakhs	
				As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
- Euro	4,72,357	(LY - 2,74,562)	equivalent to ₹	355.87	226.72
- JPY	11,36,660	(LY - 17,94,450)	equivalent to ₹	6.14	10.55
- USD	14,54,627	(LY - 18,89,551)	equivalent to ₹	928.55	1,199.49

- b) Foreign currency exposures not covered by Forward exchange contracts as at 31st March, 2015

				₹ in Lakhs	
				As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
- Euro	2,56,214	(LY - NIL)	equivalent to ₹	177.48	-
- USD	1,62,655	(LY - NIL)	equivalent to ₹	100.84	-

The company has not availed any External Commercial Borrowings.

AS - 12 Government Grants

The Company has not received any Government grants.

AS - 13 Accounting for Investments

All Investments are long term investments and are stated at cost. Provision for diminution in value is made only if such a decline is other than temporary in the opinion of the Management.

Cost of investments held in TVS Shriram Growth Fund, Chennai as on 31st March 2015 - ₹ 38.66 lakhs (3866.18 units). The market value (NAV) of these units is ₹ 46.32 lakhs as on 31st December, 2014, as per Account Statement from Investee.

Notes to Accounts (Contd.)

AS - 14 Accounting for Amalgamation

This Standard is not applicable to the Company for the year under review.

AS - 15 Employee benefits

As per Accounting Standard 15 on "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are furnished below :

(a) Short term Employee Benefits

Short term employee benefits payable within twelve months of rendering the service including accumulated leave encashment, at the Balance Sheet date, are recognised as an expense as per the Company's scheme based on expected obligations on undiscounted basis.

(b) Long term Employee Benefits

In case of long term compensated absences i.e. long term leave encashment, the same is provided for based on actuarial valuation as at the Balance Sheet date, using the Projected Unit Credit Method.

Post retirement benefits comprising of employees Provident Fund and Gratuity Fund are accounted for as follows :

- (a) **Provident Fund** : This is a defined contribution plan and contributions paid to the Regional Provident Fund Commissioner, Tambaram, Chennai - 600 045, are charged to revenue during the period. The Company has no further obligations for future provident fund benefits other than regular contributions.
- (b) **Gratuity** : This is a defined benefit plan and the Company's Scheme is administered by Trustees and funds managed by the Life Insurance Corporation of India (LIC). The liability for Gratuity to employees as at the Balance Sheet date is determined based on the actuarial valuation and on the basis of demand from Life Insurance Corporation of India. The contribution paid thereof is charged in the books of accounts.

Disclosure as per AS15 (Revised) – Defined Benefit Plans

₹ in Lakhs

	Gratuity As at / Year ended 31.03.2015	Leave Encashment As at / Year ended 31.03.2015
a) Expenses recognised in the Statement of Profit and Loss		
(i) Current Service Cost	20.63	1.74
(ii) Interest cost	12.91	3.96
(iii) Expected return on plan assets	(14.97)	-
(iv) Net actuarial loss / (gain) recognised in the year	11.84	11.55
Total	30.41	17.25
b) Change in defined benefit obligation during the year ended 31st March 2015		
Present Value of defined Obligation as at the beginning of the year (01-04-2014)	153.31	47.90
Interest Cost	12.91	3.96
Current Service Cost	20.63	1.74
Benefits Paid	(25.99)	(9.79)
Actuarial Gain/(Loss) on obligation	10.20	11.55
Present value of obligation as at the end of the year (31-03-2015)	171.07	55.36

Notes to Accounts (Contd.)

₹ in Lakhs

	Gratuity As at / Year ended 31.03.2015	Leave Encashment As at / Year ended 31.03.2015
c) Change in fair value of plan assets during the year ended 31st March 2015		
Fair value of planned assets at the beginning of the year (01-04-2014)	161.43	-
Expected Return on planned assets	14.97	-
Contributions	25.15	9.79
Benefits paid	(25.99)	(9.79)
Actuarial Gain/(Loss) on planned assets	(1.64)	-
Fair value of planned assets as at the end of the year (31-03-2015)	173.92	-
(d) Balance Sheet movements		
(i) Net assets/ (Liability) at the beginning of the year (01- 04-2014)	8.12	(47.90)
(ii) Contribution made during the year	25.15	9.79
(iii) Expenses	30.41	17.25
(iv) Net assets/ (Liability) at the end of the year (31-03-2015)	2.86	(55.36)
(e) Principal Actuarial assumptions		
(i) Discount rate used	8.00%	8.00%
(ii) Expected return on planned assets	9.30%	Not Applicable
(iii) Salary escalation	5.00%	5.00%

AS - 16 Borrowing costs

All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets which are capitalised. During the year under review there was no borrowing attributable to qualifying assets and hence no borrowing cost was capitalised.

AS - 17 Segment Reporting

Since the group of products sold and services rendered by the Company pertains to Information Technology related products and services, the operations of the Company relate to a single reportable segment.

AS - 18 Related Party disclosure

Disclosure is made as prescribed by the Institute of Chartered Accountants of India.

AS - 19 Accounting for Leases

This Standard is not applicable as the Company does not have any lease transaction during the year.

AS - 20 - Earnings Per Share

Earnings per share (Basic and Diluted) has been calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and disclosed on the face of statement of Profit and Loss in accordance with the Standard.

Notes to Accounts (Contd.)

	As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
	₹ in Lakhs	
Profit after tax before extraordinary income	210.09	40.02
Profit after tax after extraordinary income	229.15	40.02
Weighted average number of equity shares (For Basic EPS)	18,022,818	17,975,832
Weighted average number of equity shares (For Diluted EPS)	18,387,219	17,975,832
Nominal value of the shares	₹ 10/-	₹ 10/-
(i) Earnings per share (Before Extraordinary Income)		
- Basic (₹)	1.17	0.22
- Diluted (₹)	1.14	0.22
(ii) Earnings per share (after Extraordinary Income)		
- Basic (₹)	1.27	0.22
- Diluted (₹)	1.25	0.22
AS - 21 Consolidated Financial Statements		
Consolidated Financial Statements of the Company and its wholly owned subsidiary, viz., Prime Property Holdings Limited, Chennai is enclosed.		
AS - 22 Taxes on income		
Income Tax payable under the normal computation of taxable income is NIL. However, tax is payable under the provisions of Section 115JB of the Income Tax Act, 1961, viz., Minimum Alternate Tax.		
Deferred tax liability and asset are recognised based on timing differences using the tax rates substantively enacted on the Balance Sheet date.		
Deferred Tax Liability (Net) consists of :		
A) Liabilities:- Tax on Depreciation	388.78	389.85
Less:		
B) Assets:- Tax provisions on inadmissible under the Income Tax Act, 1961	12.7	5.07
A- B (Refer Balance Sheet)	376.08	384.78
AS - 23 Accounting for Investments in Associates in Consolidated Financial Statements		
This Standard is not applicable to the Company for the year under review.		
AS - 24 Discontinuing Operations		
In respect of Contract Manufacturing Services business which was sold during 2007, the details of liabilities carried over in the financial statements are furnished below :		
Liabilities in respect of discontinued operations		
Balance at the beginning of the year	-	20.46
Less: Discharged during the year	-	20.46
Balance at the close of the year	-	-

Notes to Accounts (Contd.)

AS - 25 Interim Financial Reporting

Quarterly financial results are published in accordance with the requirement of Listing Agreement with Stock Exchanges. The recognition and measurement principles as laid down in the Standard have been followed in the preparation of these results.

AS - 26 Intangible Assets

The Company owns Intellectual Property Rights & Business Rights relating to its service business and the same is amortised over a period of ten years @ 9.5% per annum.

AS - 27 Financial Reporting of Interest in Joint Ventures

This Standard is not applicable to the Company for the year under review.

AS - 28 Impairment of Assets

As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of such assets. Hence there is no impairment loss on the assets of the Company.

AS - 29 Provisions, Contingent Liabilities and Contingent Assets

Warranty cost on sale of products has been determined based on management estimates/ historical data and provided for - ₹ 280.08 lakhs (Previous Year - ₹ 227.46 Lakhs).

Contingent liabilities are disclosed in Note No.4 and Contested liabilities are disclosed in Note No. 5.

Contingent assets are neither recognised nor disclosed.

AS - 30 Financial Instruments : Recognition and Measurement

This Standard is not applicable.

AS - 31 Financial Instruments: Presentation

This Standard is not applicable.

AS - 32 Financial Instruments : Disclosures

This Standard is not applicable.

- 2 Previous year figures have been regrouped wherever necessary to confirm to current year's classification.

₹ in Lakhs

	As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
3 Trade Payables Includes:		
Disclosure under Micro, Small and Medium Enterprises Development Act (MSMED), 2006.		
i) Principal amount due to suppliers.	18.34	33.76
ii) Interest accrued and due to suppliers on the above amount	-	-
iii) Payment made to suppliers (other than interest) beyond the appointed day	-	40.62
iv) Interest paid to suppliers in terms of Section 16 of MSMED Act, 2006	-	0.14
v) Interest due and payable to suppliers for payments already made.	-	-
vi) Interest accrued and remaining unpaid at the end of the year to suppliers	-	-

Notes to Accounts (Contd.)

		₹ in Lakhs	
		As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
4	Contingent liabilities and Commitments not provided for		
a)	Contingent Liabilities		
	On Gurantees furnished by the Banks	316.36	154.36
b)	Claims against the Company not acknowledged as debt	2.00	2.00
c)	On Letters of Credit opened with Banks	1,401.84	847.54
d)	Commitments		
	Estimated amount of contracts remaining to be executed on capital account	241.37	83.21
5	Liability disputed not provided for		
a)	Sales Tax	92.24	128.09
b)	Central Excise Duty	13.23	13.23
c)	Income Tax	443.17	282.00
d)	Service Tax	-	121.15
6	Payment to Auditors		
a)	As Auditor	10.11	10.11
b)	For taxation matters	3.37	3.37
c)	For other services	4.41	0.71
d)	Reimbursement of expenses	3.59	4.87
	Total	<u>21.48</u>	<u>19.06</u>
7	Details of Revenue / Capital Expenditure incurred for "In House" R & D Unit		
a)	Revenue Expenditure incurred under the following heads of account		
	Salaries, Wages & Allowances	49.32	52.28
	Travelling & Conveyance	7.02	4.89
	Product Development	47.31	30.02
	Stores Consumables	1.88	0.04
	Consultancy & Technology	5.47	5.99
	Reliability Testing, Field Tests & Trials	-	0.51
	Miscellaneous Expenses	1.73	0.55
		<u>112.73</u>	<u>94.28</u>
b)	Capital Expenditure		
	Addition to Fixed assets		
	Office Equipments	-	0.09
		-	0.09
8	Employee Stock Option Scheme 2011 (ESOP - 2011)		
In accordance with Board resolution dated 23rd July, 2011 and Shareholders' special resolution dated 21st September, 2011 the ESOP-2011 was instituted and following are the details :			
i)	12,000 options granted on 2nd May, 2012 to eligible directors has been vested on 2nd May, 2013 and ₹ 0.84 Lakhs has been debited to Statement of Profit & Loss		

Notes to Accounts (Contd.)

- ii) 12,000 options granted on 5th February, 2014 to Independent directors with a vesting period of 12 months and ₹ 0.54 Lakhs has been debited to Statement of Profit & Loss.
- iii) 5,30,000 options granted on 29th July, 2014 to a Director of holding Company and ₹ 72.96 Lakhs has been debited to Statement of Profit & Loss on pro-rata basis.

9 Related Party Disclosures as per Accounting Standard - 18

A) List of Related Parties as per Clause 3(a) of the Standard where control exists

Reporting Entity	TVS Electronics Limited, Chennai
	Period
Holding Companies	
T.V.Sundram Iyengar & Sons Private Limited, Madurai (Ultimate Holding Company of Sundaram Investment Limited, Chennai) (Converted into a private limited company w.e. from 30th March 2015)	01.04.2014 to 31.03.2015
Sundaram Investment Limited, Chennai (Holding Company of Reporting Entity)	01.04.2014 to 31.03.2015
Wholly owned Subsidiary	
Prime Property Holdings Limited, Chennai	01.04.2014 to 31.03.2015

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

Fellow Subsidiaries

Sundaram-Clayton Limited, Chennai	01.04.2014 to 31.03.2015
TVS Motor Company Limited, Chennai	01.04.2014 to 31.03.2015
Sundaram Auto Components Limited, Chennai	01.04.2014 to 31.03.2015
TVS Capital Funds Limited, Chennai	01.04.2014 to 31.03.2015
TVS-E Access India Limited, Chennai	01.04.2014 to 31.03.2015
Sundaram Industries Limited, Chennai	01.04.2014 to 31.03.2015
Gallant E-Access Private Limited, Chennai	01.04.2014 to 31.03.2015
TVS Training and Services Limited, Chennai	01.04.2014 to 31.05.2014
Southern Roadways Limited, Madurai	01.04.2014 to 31.05.2014

Other entities in which Reporting Entity has Significant Influence

Lucas TVS Limited, Chennai	01.04.2014 to 31.03.2015
Haritha Techserv Limited, Chennai	01.04.2014 to 31.03.2015

Key Management Personnel

Mr.K.E.Ranganathan - Managing Director	01.04.2014 to 31.03.2015
Ms.S.Nagalakshmi - Company Secretary	01.04.2014 to 31.03.2015

C) Particulars of transactions with Related Parties

	As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
(i) Purchase of Material / Fixed Assets		
TVS Capital Funds Limited, Chennai	-	0.21

₹ in Lakhs

Notes to Accounts (Contd.)

		₹ in Lakhs
	As at / Year ended 31.03.2015	As at / Year ended 31.03.2014
(ii) Services availed		
Harita Techserv Limited, Chennai	25.38	-
Sundaram-Clayton Limited, Chennai	6.80	6.96
Sundaram Investment Limited, Chennai	40.12	-
TVS Capital Funds Limited, Chennai	100.00	425.61
(iii) Sale of Materials / Fixed Assets		
TVS Motor Company Limited, Chennai	7.25	4.29
Sundaram-Clayton Limited, Chennai	1.34	0.42
TVS Capital Funds Limited, Chennai	-	2.65
(iv) Services rendered		
TVS Motor Company Limited, Chennai	92.32	82.45
TVS Capital Funds Limited, Chennai	10.00	10.00
Sundaram Auto Components Limited, Chennai	5.06	-
Harita Techserv Limited, Chennai	2.56	-
Sundaram Industries Limited, Chennai	0.10	-
TVS Training and Services Limited, Chennai	1.60	-
Sundaram-Clayton Limited, Chennai	109.17	79.85
Lucas TVS Limited, Chennai	0.99	-
(v) Interest received on Inter Corporate Deposits granted		
TVS-E Servicetec Limited, Chennai	-	28.23
(vi) Inter Corporate Deposits granted		
TVS-E Servicetec Limited, Chennai	-	52.00
(vii) Inter Corporate Deposits received back		
TVS-E Servicetec Limited, Chennai	-	360.50
(viii) Sale of Investments to wholly owned Subsidiary		
Prime Property Holdings Limited, Chennai	-	84.08
(ix) Amount outstanding as at Balance Sheet date		
a) Trade Receivables		
Sundaram-Clayton Limited, Chennai	11.74	18.24
TVS Motor Company Limited, Chennai	6.76	4.72
TVS Capital Funds Limited, Chennai	3.74	1.42
TVS-E Servicetec Limited, Chennai	-	3.74
b) Trade Payables		
Sundaram Auto Components Limited, Chennai	-	0.03
Sundaram Investment Limited, Chennai	10.17	-
TVS Capital Funds Limited, Chennai	25.55	87.93
Sundaram-Clayton Limited, Chennai	1.74	1.77
(x) Remuneration to Key Management Personnel		
Mr. R. Sridhar - Manager (01.11.2013 to 05.02.2014)	-	10.62
Ms. K. Hema Rao - Manager (01.11.2013 to 05.02.2014)	-	9.69
Mr. K.E. Ranganathan - Managing Director (Previous Year 06.02.2014 to 31.03.2014)	80.00	12.14
Ms. S. Nagalakshmi - Company Secretary	20.90	-

Notes to Accounts (Contd.)

Information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956.

(Vide notification dated 30th October, 1973 of Department of Company Affairs, Government of India)

₹ in Lakhs

Particulars	Year ended 31.03.2015		Year ended 31.03.2014	
10 RAW MATERIALS & COMPONENTS CONSUMED				
1 Raw Material & Intermediates & Components Consumed				
i) Integrated Circuits		141.24		150.23
ii) Miscellaneous Items		9,784.08		9,160.95
(which do not individually account for more than 10% of the value of the consumption)		<u>9,925.32</u>		<u>9,311.18</u>
	% of total consumption	Amount	% of total consumption	Amount
2 Consumption of Raw materials & Components				
a) Imported	53.33%	5,293.17	58.00%	5,400.48
b) Indigenous	46.67%	4,632.15	42.00%	3,910.70
Total	<u>100.00%</u>	<u>9,925.32</u>	<u>100.00%</u>	<u>9,311.18</u>
11 CONSUMPTION OF MACHINERY SPARES				
a) Imported	32.37%	9.84	43.78%	12.70
b) Indigenous	67.63%	20.56	56.22%	16.30
Total	<u>100.00%</u>	<u>30.40</u>	<u>100.00%</u>	<u>29.00</u>
12 IMPORTS (CIF VALUE)				
a) Raw materials		43.28		44.70
b) Spares, Stores and Components		2,982.97		2,699.75
c) Capital goods		-		-
d) Traded goods		5,960.19		5,915.87
Total		<u>8,986.44</u>		<u>8,660.32</u>
13 OTHER EXPENDITURE IN FOREIGN CURRENCY				
Staff Welfare		1.13		-
Repairs & Maintenance		1.94		4.35
Travel & Conveyance		3.88		6.32
Consultancy, Legal fee & Retainers		14.68		23.81
Director Sitting fees		0.30		0.05
14 SALE BY CLASS OF GOODS				
(a) Computer Peripherals		15,526.32		15,781.57
(b) Income on Services rendered		6,715.63		3,374.83
(c) Service, Spares & others		4,763.97		5,585.44
		<u>27,005.92</u>		<u>24,741.84</u>
15 EARNINGS IN FOREIGN EXCHANGE				
Exports		3,359.09		3,071.92
		<u>3,359.09</u>		<u>3,071.92</u>

Notes to Accounts (Contd.)

Information pursuant to the provisions of Part II of Schedule VI of the Companies Act, 1956 (Contd.)

16. OPENING AND CLOSING STOCK OF GOODS PRODUCED AND QUANTITY PURCHASED DURING THE YEAR

₹ in Lakhs

Description	Year ended 31.03.2015			Year ended 31.03.2014		
	Opening Stock	Production / Purchases ment for Sale	Closing Stock	Opening Stock	Production / Purchases ment for Sale	Closing Stock
(A) MANUFACTURED ITEMS						
a) Computer Peripherals	70.61		344.10	248.63		70.61
b) Others	5.05		8.55	69.19		5.05
	75.66		352.65	317.82		75.66
(B) TRADED ITEMS						
a) Computer Peripherals	383.72		600.48	428.42		383.72
b) Others	718.54		1,197.53	287.65		718.54
	1,102.26	8,229.18	1,798.01	716.07	7,460.77	1,102.26

Signature to Schedule 1 to 24 and notes there on

For and on behalf of the Board

GOPAL SRINIVASAN

Chairman

K.E. RANGANATHAN

Managing Director

Chennai

May 6, 2015

S. NAGALAKSHMI

Company Secretary

As per our report of even date annexed

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration No: 004207S

M BALASUBRAMANIAM

Partner

Membership No: F 7945

Disclosure Statement

17. Disclosure made in terms of Clause 32 of the Listing Agreement with Stock Exchanges

₹ in Lakhs

Particulars	Name of the Company	Remarks	Amount Outstanding as on 31.03.2015	Amount Outstanding as on 31.03.2014
A. LOANS AND ADVANCES				
1. Loans and Advances in the nature of Loans made to Subsidiary	Prime Property Holdings Limited, Chennai Maximum amount due at any time During the year During the previous year		-	-
B. INVESTMENTS				
1. Investments made in Subsidiary Company	Prime Property Holdings Limited, Chennai (50,000 equity shares of ₹ 10/- each) Maximum amount held at any time During the year During the previous year	 5.00 5.00	5.00	5.00
2. Investment made by Holding Company	Sundaram Investment Limited, Chennai Maximum amount held at any time During the year During the previous year	 1,116.01 1,095.83	1,116.01	1,095.83

Cash Flow Statement

	₹ in Lakhs	
	Year ended 31.03.2015	Year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional items	292.56	129.73
Adjustment for :		
Depreciation and amortisation expenses	696.77	566.00
Employee stock option expense	73.50	(0.21)
Interest Income	(7.39)	(86.48)
Dividend Income	(4.99)	(4.54)
Profit on sale of assets	(0.64)	(5.86)
Profit on sale of investments	-	(4.08)
Loss on sale of assets	0.42	25.98
Diminution in the value of investments	-	-
Interest paid	653.72	730.34
	<u>1,411.39</u>	<u>1,221.15</u>
Operating Profit before Working Capital changes	1,703.95	1,350.88
Adjustment for :		
Inventories	(1,107.54)	(23.71)
Trade Receivables	(59.18)	(528.24)
Loans and Advances	(92.84)	500.99
Other non-current / current assets	(175.98)	171.85
Trade Payables	605.56	118.01
Non Current / Current liabilities and provisions	523.04	(303.79)
	<u>(306.94)</u>	<u>(64.89)</u>
	<u>1,397.01</u>	<u>1,285.99</u>
Direct taxes paid net of provision	(56.47)	13.73
Net cash from operating activities (A)	1,340.54	1,299.72
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(410.28)	(478.09)
Intangible assets under development	3.17	(3.17)
Sale of Investments	-	84.08
Exceptional / Extraordinary items	24.06	(63.45)
Sale of fixed assets	3.52	57.75
Interest Income	7.39	86.48
Dividend Income	4.99	4.54
Net cash from / (used in) investing activities (B)	(367.15)	(311.86)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital - Convertible Warrants	-	59.72
Repayment of Loans	(466.11)	(722.09)
Interest paid	(653.72)	(730.34)
Net cash used in financing activities (C)	(1,119.83)	(1,392.71)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(146.44)	(404.85)
Opening Cash and Cash equivalents as at 01.04.2014	319.76	724.61
Closing Cash and Cash equivalents as at 31.03.2015	173.32	319.76

Notes : 1 The above statements have been prepared in indirect method.

2 Cash and cash equivalent represents Cash and Bank balances.

3 Interest paid is treated as arising out of financing activities.

4 Previous year figures have been regrouped wherever necessary to conform to current years classification.

For and on behalf of the Board

GOPAL SRINIVASAN

Chairman

K.E. RANGANATHAN

Managing Director

Chennai

May 6, 2015

S. NAGALAKSHMI

Company Secretary

As per our report of even date annexed

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration No: 004207S

M BALASUBRAMANIAM

Partner

Membership No: F 7945

Independent Auditors' Report on Consolidated Accounts

To

The Members of TVS Electronics Limited,
Chennai – 600 006.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of TVS Electronics Limited, Chennai - 600 006 (hereinafter referred to as "the Holding Company") and its subsidiary Prime Property Holdings Limited, Chennai - 600 006 (the Holding Company and its subsidiary together referred to as "the Group") comprising the consolidated Balance Sheet as at 31st March, 2015, the consolidated Statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms

Independent Auditors' Report on Consolidated Accounts (Contd.)

of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of the wholly owned subsidiary whose financial statements reflect total assets of Rs.7,16,25,299.47 as at 31st March, 2015, total revenues of Rs.976.00 and net cash outflow amounting to Rs.74,258.00 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has 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 the wholly owned subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, 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 report of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' report of the Holding company and

Indian subsidiary, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 and the report of the other auditor.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and thereports of the statutory auditor of its Indian subsidiary, none of the directors of the group company is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditors' Report on Consolidated Accounts (Contd.)

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 26(E)(e) to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by

the Holding Company and there was no amount required to be transferred to the Investor Education and Protection Fund by its Indian subsidiary.

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

Place: Chennai
Date: May 06, 2015

M. BALASUBRAMANIAM
Partner
Membership No. : F7945

Annexure to the Independent Auditors' Report on Consolidated Accounts

Annexure referred to in our report of even date on the consolidated financial statements for the year ended March 31, 2015

- i. (a) The Holding Company and its subsidiary incorporated in India (hereinafter 'Indian Companies') have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the Holding Company in accordance with a regular programme at reasonable intervals during the year. No material discrepancies were noticed on such verification. The discrepancies noticed on such verification have been appropriately dealt with in the books of accounts. In our opinion the interval is reasonable having regard to the size of the company and nature of its assets. The wholly owned subsidiary has no fixed asset other than its investment in land.
- ii. (a) In the Holding Company inventory has been physically verified at reasonable intervals during the year. In our opinion, the frequency of such verification is adequate. It was represented to us that inventories with third parties are also verified from time to time. However physical verification of inventory is not applicable for the wholly owned subsidiary.
- (b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the Holding Company and the nature of its business.
- (c) In our opinion, the Holding Company has maintained proper records of inventory. The discrepancies noticed between the physical stocks and the book stocks were not material and have been properly dealt with in the books of account.
- iii. During the year, the Indian Companies have not granted any loans, secured or unsecured to companies, firms 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, there are adequate internal control procedures commensurate with the size of the Indian Companies and the nature of its businesses, with regard to purchase of inventory, fixed assets and for the sale of goods and services. We have observed no minor or major continuing failure in the internal control system.
- v. The Indian companies have not accepted deposits within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
- vi. We have broadly reviewed the books of account maintained by the Holding Company pursuant to the rules made by the Central Government under section 148(1) of the Companies Act, 2013 for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and 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 or complete. This clause is not applicable only to the Indian subsidiary.
- vii. (a) The Indian Companies are regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities, wherever such statutes are applicable. However belated remittance of service tax and income tax deducted at source were observed in case of Holding Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax and Cess were in arrears, as at 31st March 2015 for a period of more than six months from the date they became payable.

Annexure to the Independent Auditors' Report on Consolidated Accounts (Contd.)

- (c) According to information and explanations furnished to us, the following are the details of the disputed dues that were not deposited with the concerned authorities by the Holding Company:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Forum where the dispute is pending
Sales Tax – Central Sales Tax / Value Added Tax of various states	Sales Tax	84.99	Departmental Authorities of various States
		7.25	Kerala Agricultural Income Tax & Sales Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Tax deducted at Source and interest thereon	429.08	Commissioner of Income Tax (Appeals), Chennai
		14.09	
Central Excise Act, 1944	Excise Duty	13.23	Customs, Excise and Service Tax Appellate Tribunal, Chennai (CESTAT)

- (d) During the year, the holding company has transferred the amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 and Rules made thereunder within time. However this clause is not applicable to the wholly owned Indian subsidiary.
- viii. The Holding Company has neither accumulated losses as at the end of the financial year nor has

incurred cash losses during the financial year and in the immediately preceding financial year. The wholly owned subsidiary does not have any accumulated losses at the end of financial year. However the wholly owned subsidiary has incurred cash loss during the financial year and the immediately preceding financial year.

- ix. The Holding Company has not defaulted in repayment of dues to its banks or financial institutions. In case of the wholly owned subsidiary, there is no borrowing.
- x. The Indian Companies have not furnished any guarantees for loans taken by others from a bank or a financial institution.
- xi. The Indian companies have not availed any fresh term loan during the year. The term loan availed by the Holding Company was applied for the purpose for which it was availed.
- xii. Based on the audit procedures adopted and information and explanations given to us by the management, no material fraud on or by the Indian Companies have been noticed or reported.

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

M. BALASUBRAMANIAM
Partner
Membership No. : F7945

Place: Chennai
Date: May 06, 2015

Consolidated Balance Sheet as at 31st March, 2015

₹ in Lakhs

Particulars	Note No.	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	1,802.28	1,802.28
(b) Reserves and surplus	2	2,673.36	2,454.22
		<u>4,475.64</u>	<u>4,256.50</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	-	330.00
(b) Deferred tax liabilities (Net)		376.08	384.78
(c) Other Long term liabilities	4	24.03	0.63
(d) Long-term provisions	5	215.72	168.16
		<u>615.83</u>	<u>883.57</u>
3 Current liabilities			
(a) Short-term borrowings	6	5,330.22	5,466.33
(b) Trade payables		2,801.06	2,195.50
(c) Other current liabilities	7	1,230.89	918.12
(d) Short-term provisions	8	489.47	350.12
		<u>9,851.64</u>	<u>8,930.07</u>
TOTAL		<u><u>14,943.11</u></u>	<u><u>14,070.14</u></u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		1,827.48	1,917.66
(ii) Intangible assets		2,262.20	2,584.33
(iii) Intangible assets under development		-	3.17
(b) Non-current investments	10	793.60	793.60
(c) Long-term loans and advances	11	3,220.55	3,096.90
(d) Other non-current assets	12	38.99	86.28
		<u>8,142.82</u>	<u>8,481.94</u>
2 Current assets			
(a) Inventories	13	2,789.21	1,681.67
(b) Trade receivables	14	2,907.70	2,848.52
(c) Cash and cash equivalents	15	182.78	329.97
(d) Short-term loans and advances	16	518.69	549.40
(e) Other current assets	17	401.91	178.64
		<u>6,800.29</u>	<u>5,588.20</u>
TOTAL		<u><u>14,943.11</u></u>	<u><u>14,070.14</u></u>
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director
Chennai
May 6, 2015

S. NAGALAKSHMI
Company Secretary

As per our report of even date annexed

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

M BALASUBRAMANIAM
Partner
Membership No: F 7945

Consolidated Statement of Profit and Loss for the Year ended 31st March, 2015

₹ in Lakhs

Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
I. Revenue from operations	18	27,204.28	24,869.50
Less: Excise Duty		<u>198.36</u>	<u>127.66</u>
		27,005.92	24,741.84
II. Other income	19	97.19	220.35
III. Total Revenue (I + II)		27,103.11	24,962.19
IV. Expenses:			
Cost of materials consumed	20	10,202.31	9,069.02
Purchases of Stock-in-Trade	20	7,533.43	7,074.58
Changes in inventories of finished goods, work-in-process & stock-in-trade	20	(276.99)	242.16
Employee benefits	21	2,638.98	2,309.61
Finance costs	22	692.16	742.52
Depreciation and Amortization expense		696.77	566.00
Other Expenses	23	5,324.67	4,833.77
Total Expenses		26,811.33	24,837.66
V. Profit before exceptional and extraordinary items and tax (III - IV)		291.78	124.53
VI. Exceptional items	24	-	63.45
VII. Profit before extraordinary items and tax (V - VI)		291.78	61.08
VIII. Income from Extraordinary Items	25	24.06	-
IX. Profit before tax (VII + VIII)		315.84	61.08
X. Tax Expense:			
(1) Current tax		62.00	2.50
(2) Deferred tax		31.05	39.99
(3) Tax relating to earlier years		(5.62)	(40.46)
		87.43	2.03
XI. Profit/(Loss) for the period (IX - X)		228.41	59.05
XII. Earnings per equity share : (Refer Note 26(1)-AS 20)			
EPS before Extraordinary Income			
(1) Basic		1.16	0.33
(2) Diluted		1.14	0.33
EPS after Extraordinary Income			
(1) Basic		1.27	0.33
(2) Diluted		1.24	0.33
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
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K.E. RANGANATHAN
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For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Registration No: 004207S

M BALASUBRAMANIAM
Partner
Membership No: F 7945

Notes to Consolidated Balance Sheet

Note No. 1 - Share Capital

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Authorised				
Equity Shares of par value of ₹ 10/- each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued				
Equity Shares of par value of ₹ 10/- each	1,80,22,818	1,802.28	1,80,22,818	1,802.28
Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid	1,80,22,818	1,802.28	1,80,22,818	1,802.28
Total Share Capital	1,80,22,818	1,802.28	1,80,22,818	1,802.28

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

Particulars	Equity Shares	
	Number	₹ in Lakhs
Shares outstanding at the beginning of the year	1,80,22,818	1,802.28
Shares allotted during the year	-	-
Shares outstanding at the end of the year	1,80,22,818	1,802.28

Right and preferences attached to equity share:

- (i) Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 2013.
- (ii) There are no restrictions attached to the equity shares.

Particulars of shares held by the Holding Company

Out of equity shares issued by the Company, shares held by the Holding Company are as below :

Name of the Holding Company	No. of Shares held	
	As at 31.03.2015	As at 31.03.2014
Sundaram Investment Limited, Chennai	11,160,093	10,958,264

Details of shareholders holding more than five per cent shares

Name of the Shareholder	No. of Shares held	
	As at 31.03.2015	As at 31.03.2014
Sundaram Investment Limited, Chennai	11,160,093	10,958,264

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 2 - Reserves and Surplus		
a. Capital Reserves		
Balance at the beginning of the year	60.60	60.60
Capital Reserve on Consolidation	0.04	0.04
Closing Balance (a)	60.64	60.64
b. Securities Premium Account		
Balance at the beginning of the year	1,326.55	1,281.92
Add : Securities premium on allotment during the year	-	44.63
Closing Balance (b)	1,326.55	1,326.55
c. Share Options Outstanding Account		
Balance at the beginning of the year	0.84	1.05
(+) Current Year Transfer	73.50	-
(-) Written Back in Current Year	-	0.21
Closing Balance (c)	74.34	0.84
d. Other Reserves:		
General Reserve		
Balance at the beginning of the year	349.58	349.58
(+) Transfer from Investment Allowance Reserve	27.46	-
(-) Depreciation as per new Schedule II of Companies Act, 2013	122.52	-
(+) Creation of Deferred Tax Asset on above	39.75	-
Closing Balance (d)	294.27	349.58
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
Closing Balance (e)	15.00	15.00
f. Investment Allowance Reserve		
Balance at the beginning of the year	27.46	27.46
(-) Transferred to General Reserve	27.46	-
Closing Balance (f)	-	27.46
g. Surplus i.e. Balance in the Statement of Profit & Loss		
Balance in the Statement of Profit & Loss as at the beginning of the year	674.15	604.71
(+) Net Profit/(Net Loss) For the current year	228.41	59.05
(+) Reversal of Loss of Tumkur Property Holdings Ltd on extinguishment of investment	-	10.39
Closing Balance (g)	902.56	674.15
Total (h) = (a)+(b)+(c)+(d)+(e)+(f)+(g)	2,673.36	2,454.22

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 3 - Long-term borrowings		
Secured		
Term loans		
From bank #	-	330.00
(Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)		
# Loan repayable in twelve quarterly instalments commencing from November 2012		
Total	<u>-</u>	<u>330.00</u>
(a) Description of loan	Corporate Loan	
(b) Total Loan repayable over term of loans	2,000.00	
(c) Frequency of repayment(s)	Quarterly	
(d) No. of instalments	12	
(e) Amount payable in each instalment	167.00	
(f) Maturity Date	01.08.2015	
(g) Loan repayable in FY 2012-13 and Paid	334.00	
(h) Loan repayable in FY 2013-14 and Paid in FY 2012-13 (instalment repaid in advance)	167.00	
(i) Loan repayable in FY 2013-14 and Paid	501.00	
(j) Loan repayable in FY 2014-15 and Paid	668.00	
(j) Loan Balance as on 31.03.2015 (included in Short term Borrowings)	330.00	
Note No. 4 - Other Long-Term Liabilities		
Income received in advance		
Unexpired Annual Maintenance Contracts	24.03	0.63
Total	<u>24.03</u>	<u>0.63</u>
Note No. 5 - Long-Term Provisions		
(a) Employee benefits		
Leave encashment	55.36	45.09
(b) Warranty & Sales Tax		
Warranty	97.34	76.67
Sales Tax	32.62	28.62
(c) Expenses	24.37	11.75
(d) Tax	6.03	6.03
Total	<u>215.72</u>	<u>168.16</u>

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 6 - Short-Term Borrowings		
SECURED		
Loans repayable on demand		
From bank	2,800.00	2,800.00
(Secured by a first charge on all movable properties of the Company, present and future, a pari passu charge on the current assets of the Company by hypothecation of raw materials, components, work in process, finished goods, receivables, stores and spares and further secured by a second charge on immovable properties on a paripassu basis to the consortium of banks).		
	<u>2,800.00</u>	<u>2,800.00</u>
SECURED		
From banks	360.92	1,260.44
(Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)		
	<u>360.92</u>	<u>1,260.44</u>
UNSECURED		
Loans repayable on demand		
From banks	2,169.30	1,405.89
	<u>2,169.30</u>	<u>1,405.89</u>
Total	<u>5,330.22</u>	<u>5,466.33</u>
Note No. 7 - Other Current Liabilities		
Interest accrued and due on borrowings	36.31	42.68
Interest accrued but not due on borrowings	6.26	7.11
Income received in advance-Unexpired Annual Maintenance Contracts	29.66	19.53
Unclaimed dividends	3.05	5.10
Other payables :		
Statutory Liabilities	125.76	105.96
Security Deposits	98.82	96.64
Employee's Related	96.92	98.58
Liability towards expenses	834.11	542.52
Total	<u>1,230.89</u>	<u>918.12</u>
Note No. 8 - Short Term Provisions		
(a) Employee benefits		
Leave Encashment	16.21	2.81
(b) Warranty	182.74	150.80
(c) Expenses	290.52	196.51
Total	<u>489.47</u>	<u>350.12</u>

Notes to Consolidated Balance Sheet (Contd.)

Note No. 9 - Fixed Assets									
Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 01.04.2014 ₹ in Lakhs	Additions ₹ in Lakhs	Disposals ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs	Balance as at 01.04.2014 ₹ in Lakhs	Depreciation charge for the year ₹ in Lakhs	Withdrawn on disposals ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs	Balance as at 31.03.2014 ₹ in Lakhs
a) Tangible Assets									
Land	40.93	-	0.17	40.76	-	-	-	40.76	40.93
Assets under lease	199.15	-	-	199.15	2.11	2.11	-	194.93	197.04
Land Total	240.08	-	0.17	239.91	2.11	2.11	-	235.69	237.97
Buildings including improvements	973.89	95.80	15.54	1,054.15	408.74	78.67	12.98	474.43	565.15
Buildings Total	973.89	95.80	15.54	1,054.15	408.74	78.67	12.98	474.43	565.15
Plant and Equipment	3,489.08	70.76	1.27	3,558.57	2,604.41	234.93	1.16	2,838.18	884.67
Plant and Equipment Total	3,489.08	70.76	1.27	3,558.57	2,604.41	234.93	1.16	2,838.18	884.67
Furniture and Fixtures	190.75	56.57	-	247.32	79.80	49.47	-	129.27	110.95
Furniture and Fixtures Total	190.75	56.57	-	247.32	79.80	49.47	-	129.27	110.95
Vehicles	0.55	57.35	-	57.90	0.17	5.15	-	5.32	0.38
Vehicles Total	0.55	57.35	-	57.90	0.17	5.15	-	5.32	0.38
Office equipment	1,446.75	95.74	673.26	869.23	1,328.21	92.77	672.80	748.18	118.54
Office equipment Total	1,446.75	95.74	673.26	869.23	1,328.21	92.77	672.80	748.18	118.54
Tangible Assets Total	6,341.10	376.22	690.24	6,027.08	4,423.44	463.10	686.94	4,199.60	1,917.66
b) Intangible Assets									
Computer software	141.72	34.06	-	175.78	85.35	46.21	-	131.56	56.37
Computer software Total	141.72	34.06	-	175.78	85.35	46.21	-	131.56	56.37
Intellectual Property Rights	800.00	-	-	800.00	760.00	-	-	760.00	40.00
Business Rights	3,262.91	-	-	3,262.91	774.95	309.98	-	1,084.93	2,487.96
Intellectual Property and Business Rights Total	4,062.91	-	-	4,062.91	1,534.95	309.98	-	1,844.93	2,527.96
Intangible Assets Total	4,204.63	34.06	-	4,238.69	1,620.30	356.19	-	1,976.49	2,584.33
c) Intangible Assets under development			Capitalised						
Computer Software	3.17	-	3.17	-	-	-	-	-	3.17
Intangible Assets under development Total	3.17	-	3.17	-	-	-	-	-	3.17
Grand Total	10,548.90	410.28	693.41	10,265.77	6,043.74	819.29	686.94	6,176.09	4,505.16
Charged to Profit Viz. Statement of Profit and Loss						686.77			
Charged to Retained Earnings						122.52			

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 10 - Non-Current Investments - Trade Unquoted (At Cost)		
(a) Investment in Equity instruments	90.77	90.77
(b) Other investments	702.83	702.83
Total	793.60	793.60

Details of Non-Current Investments

Sr. No.	Name of the Body Corporate	Subsidiary / Associate / JV / Controlled Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		₹ in Lakhs		Whether stated at Cost Yes / No	If Answer to Column 9 is 'No' - Basis of Valuation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
			2015	2014			2015	2014	2015	2014		
(a)	Investment in Equity Instruments - Trade Unquoted											
	Modular Infotech Private Limited, Pune	Others	9,07,255	9,07,255	Unquoted	Fully paid			90.73	90.73	Yes	NA
	Total (a)								90.73	90.73		
(b)	Other investments:											
	(i) Capital contribution to TVS Shriram Growth Fund, Chennai	Others	62,303.51	62,303.51	Unquoted	Fully paid			652.83	652.83	Yes	NA
	ii) TVS Training and Services Limited, Chennai	Others	5,00,000	5,00,000	Unquoted	Fully paid			50.00	50.00	Yes	NA
	Total (b)								702.83	702.83		
(c)	Pro-rata Share in the profit of the erstwhile associate company								0.04	0.04		
	Total (c)								0.04	0.04		
	Total (a) + (b) + (c)	Vide Note No.10							793.60	793.60		

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 11 - Long Term Loans and Advances - Unsecured, considered good		
a. Capital Advances	55.43	5.00
(a)	55.43	5.00
b. Security Deposits	2,841.78	2,740.06
(b)	2,841.78	2,740.06
c. Others:		
(i) Balance with Statutory Authorities:		
Customs	13.60	13.60
Sales tax	12.22	12.22
Advance payment of income tax less provision	163.57	199.00
(ii) Advances to Vendors	133.95	127.02
(c)	323.34	351.84
Total (a+b+c)	3,220.55	3,096.90
Note No. 12 - Other non-current assets		
Claims Receivable - Sales Tax	38.99	86.28
Total	38.99	86.28
Note No. 13 - Inventories		
a. Raw Materials and components (at Cost)		
Components	405.34	462.43
Indirect material	14.98	18.74
Goods-in transit	218.22	22.58
	638.54	503.75
b. Finished goods (at Cost or Net realisable value whichever is lower)		
Manufactured	352.65	75.66
Traded	1,496.24	1,102.26
Goods-in transit	301.78	-
	2,150.67	1,177.92
Total (a+b)	2,789.21	1,681.67

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2015	As at 31.03.2014
Note No. 14 - Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	2,882.24	2,801.33
	<u>2,882.24</u>	<u>2,801.33</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good		
Unsecured, considered good	25.46	47.19
Unsecured, considered doubtful	50.96	16.42
	<u>76.42</u>	<u>63.61</u>
Less: Provision for doubtful debts	50.96	16.42
	<u>25.46</u>	<u>47.19</u>
Total	<u>2,907.70</u>	<u>2,848.52</u>
Note No. 15 - Cash and Cash equivalents		
a. Balances with banks	175.53	322.59
b. Cash on hand	4.20	2.28
c. Earmarked balances with banks (Unclaimed dividend)	3.05	5.10
Total (a+b+c)	<u>182.78</u>	<u>329.97</u>
Note No. 16 - Short-term Loans and Advances		
Balance with Statutory Authorities:		
Sales Tax	62.66	98.70
Central Excise	38.88	28.03
Advance payment of income tax less provision	327.53	327.55
Others		
Prepaid expenses	77.23	83.69
Employee Advances	12.39	11.43
Total	<u>518.69</u>	<u>549.40</u>
Note No. 17 - Other current assets		
a. Interest Receivable	0.25	0.18
b. Unbilled Revenue	401.66	178.46
Total (a+b)	<u>401.91</u>	<u>178.64</u>

Notes to Consolidated Statement of Profit and Loss

₹ in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Note No. 18 - REVENUE FROM OPERATIONS		
Sale of products	21,905.90	20,606.60
Sale of services	5,285.90	4,250.06
Other operating revenues	12.48	12.84
Less:	27,204.28	24,869.50
Excise duty	198.36	127.66
Total	27,005.92	24,741.84
Note No. 19 - OTHER INCOME		
Interest	7.40	86.73
Dividend	4.99	4.54
Profit on sale of investments	-	4.08
Profit on sale of fixed assets	0.64	5.86
Foreign exchange fluctuation gain	81.80	110.65
Management Services	1.50	6.00
Other non-operating income	0.86	2.49
Total	97.19	220.35
Note No. 20 - COST OF MATERIALS CONSUMED AND CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
A) COST OF MATERIALS CONSUMED		
a) Opening stock	503.75	624.07
b) Add: Purchases *	10,337.10	8,948.70
	10,840.85	9,572.77
c) Less: Closing stock	638.54	503.75
Total (A)	10,202.31	9,069.02
B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
a) Opening stock		
Finished Goods	75.66	317.82
Less: Excise Duty on Finished Goods	1.47	8.57
	(i) 74.19	309.25
b) Closing stock:		
Finished Goods	352.65	75.66
Less: Excise Duty on Finished Goods	4.98	1.47
	(ii) 347.67	74.19
Total (B)	(273.48)	235.06
Add: (Less): Excise Duty on opening and closing of Finished Goods (Net)	(3.51)	7.10
GRAND TOTAL [A + B]	9,925.32	9,311.18
PURCHASES OF STOCK-IN-TRADE		
a) Opening stock	1,102.26	716.08
b) Add: Purchases **	8,229.18	7,460.76
	9,331.44	8,176.84
c) Less: Closing stock	1,798.01	1,102.26
Consumption of Traded Items	7,533.43	7,074.58

* Components and parts of Computer Peripherals ** Finished goods of Computer Peripherals viz., Point of sale products and Keyboards

Notes to Consolidated Statement of Profit and Loss (Contd.)

₹ in Lakhs

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Note No. 21 - EMPLOYEE BENEFITS		
Salaries and wages	2,237.99	2,058.75
Leave Encashment	17.25	7.57
Contributions to Provident & other funds	139.31	120.61
Employee Stock Option Scheme (ESOP)	73.50	(0.21)
Welfare expenses	170.93	122.89
Total	2,638.98	2,309.61
Note No. 22 - FINANCE COSTS		
Interest expense	653.72	730.34
Other borrowing costs - Loan processing charges	38.44	12.18
Total	692.16	742.52
Note No. 23 - OTHER EXPENSES *		
Consumption of stores and spares	91.47	61.86
Power and Fuel	115.30	102.42
Rent	592.97	387.38
Repairs & Maintenance - Building	272.96	214.85
Repairs & Maintenance - Plant & Equipment	28.93	24.33
Repairs & Maintenance - Office Equipments	206.45	169.03
Repairs & Maintenance - Vehicle	3.17	2.15
Insurance	74.14	67.31
Rates and Taxes (excluding taxes on income)	55.38	53.22
Audit Fees	21.65	19.22
Directors Sitting Fees	7.95	1.38
Loss on Sale of Assets	0.42	25.98
Carriage Outward	502.39	523.37
Sales commission, discounts	167.68	454.09
Warranty Expenses	147.44	147.17
Marketing	67.21	73.61
Travelling & Conveyance	433.61	413.96
Legal & Consultancy	463.68	690.92
Data Processing	20.68	26.38
Outsource Staffing Services	1,165.03	685.73
Miscellaneous expenses	886.16	689.41
(Under this head there is no expenditure which is in excess of 1% of revenue from operations or Rs 1 lakh, whichever is higher)		
Total	5,324.67	4,833.77
Note No. 24 - EXCEPTIONAL ITEMS		
Restructuring of Manufacturing Plant	-	22.42
Relocation of repair factory	-	21.03
Settlement of Claim by a Service Provider	-	20.00
Total	-	63.45
Note No. 25 - EXTRAORDINARY ITEMS		
Income from sale of land	24.06	-
Total	24.06	-

Notes to Consolidated Statement of Profit and Loss

26 A Additional Information on Consolidated Financial Statements as prescribed by schedule III to Companies Act, 2013.

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit / (loss)	
	As a % of consolidated net assets	Amount (In lacs.)	As a % of consolidated profit or (loss)	Amount (In lacs.)
Parent company				
TVS Electronics Limited, Chennai	84.25%	3,770.64	100.30%	229.10
Wholly Owned Subsidiary - Indian				
Prime Property Holdings Ltd. ., Chennai	15.86%	709.96	-0.30%	(0.69)
Sub-total	100.11%	4,480.60	100.00%	228.41
Less : Effect of Inter company eliminations	0.11%	4.96	-	-
Total	100.00%	4,475.64	100.00%	228.41

Note: Net Assets and Share in Profit or Loss of Parent Company and its Wholly Owned Subsidiary are as per the Standalone Financial Statements of the respective entities.

26 Accounting Policies adopted in the preparation of Consolidated Accounts

B. Principles of Consolidation

The consolidated accounts relate to TVS Electronics Limited, Chennai (parent company) and 100% subsidiary - Prime Property Holdings Limited, Chennai have been prepared in accordance with Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

The consolidated accounts have been prepared based on line by line consolidation by adding together the book values of like items of assets, liabilities, income and expenses as per the accounts of the parent company and its subsidiary company (duly certified by its auditor) and Intra Group balances/Intra Group transactions have been eliminated.

The consolidated accounts have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the parent company's individual accounts.

C. Details of subsidiary Company considered in the consolidated accounts:

Name of the subsidiary	Country of Incorporation	Shareholding as on	Extent of Holding (%) Direct
Prime Property Holdings Limited, Chennai	India	31.03.2015	100%

D. Other significant accounting policies:

Accounting Standards 1 to 32 (to the extent applicable) issued by the Institute of Chartered Accountants of India have been duly considered while preparing the accounts of both holding and subsidiary company and the same have been explained in detail in the notes on accounts of the respective companies which may be referred to Notes to Accounts annexed to respective financial statements forming part of this Consolidated financial statements.

Notes to Consolidated Statement of Profit and Loss (Contd.)

	As at 31.03.2015	As at 31.03.2014
E. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR		
a) Contingent Liabilities		
On Gurantees furnished by the Banks	316.36	154.36
b) Claims against the Company not acknowledged as debt	2.00	2.00
c) On Letters of Credit opened with Banks	1,401.84	847.54
d) Commitments		
Estimated amount of contracts remaining to be executed on capital account	241.37	83.21
e) Liability disputed not provided for		
a) Sales Tax	92.24	128.09
b) Central Excise Duty	13.23	13.23
c) Income Tax	443.17	282.00
d) Service Tax	-	121.15

Consolidated Cash Flow Statement

	₹ in Lakhs	
	Year ended 31.03.2015	Year ended 31.03.2014
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional items	291.78	124.53
Adjustment for :		
Depreciation and amortisation expenses	696.77	566.00
Employee stock option expense	73.50	(0.21)
Interest Income	(7.40)	(86.73)
Dividend Income	(4.99)	(4.54)
Profit on sale of assets	(0.64)	(5.86)
Profit on sale of investments	-	(4.08)
Loss on sale of assets	0.42	25.98
Diminution in the value of investments	-	-
Interest paid	653.72	730.34
	1,411.38	1,220.90
Operating Profit before Working Capital changes	1,703.15	1,345.43
Adjustment for :		
Inventories	(1,107.54)	(23.71)
Trade Receivables	(59.18)	(498.29)
Loans and Advances	(92.94)	603.77
Other non-current / current assets	(175.98)	145.25
Trade Payables	605.56	112.27
Non Current / Current liabilities and provisions	523.08	(434.78)
	(307.00)	(95.49)
	1,396.15	1,249.94
Net cash from operating activities (A)	(56.38)	37.96
	1,339.77	1,287.90
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(410.28)	(478.09)
Intangible assets under development	3.17	(3.17)
Sale of Investments	-	80.00
New Investments made	-	(80.00)
Exceptional / Extraordinary items of expenditure	24.06	(63.45)
Sale of fixed assets	3.52	57.75
Realised profit on sale of fixed asset	-	-
Interest Income	7.40	86.73
Dividend Income	4.99	4.54
Movement in reserves consequent to dissolution of a subsidiary	-	10.39
Net cash from / (used in) investing activities (B)	(367.14)	(385.30)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital - Convertible Warrants	-	59.72
Repayment of Loans	(466.11)	(722.09)
Interest paid	(653.72)	(730.34)
Net cash used in financing activities (C)	(1,119.83)	(1,392.71)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(147.20)	(490.11)
Opening Cash and Cash equivalents as at 01.04.2014	329.97	820.08
Closing Cash and Cash equivalents as at 31.03.2015	182.77	329.97

Notes: 1. The above statements have been prepared in indirect method. 2. Cash and cash equivalent represents Cash and Bank balances.
3. Interest paid is treated as arising out of financing activities. 4. Previous year figures have been regrouped wherever necessary to conform to current years classification.

For and on behalf of the Board

GOPAL SRINIVASAN

Chairman

K.E. RANGANATHAN

Managing Director

Chennai

May 6, 2015

S. NAGALAKSHMI

Company Secretary

As per our report of even date annexed

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration No: 004207S

M BALASUBRAMANIAM

Partner

Membership No: F 7945

Prospering together in diverse segments



Healthcare



Warehousing



Restaurants /
Fast Foods



Courier



Banking



Logistics



Manufacturing



Entertainment



Textiles



Retail

Progress is our only mission. As a part of this mission, we offer hi-tech and evolving products across a wide cross section of segments, so that customers may benefit from this incessant advancement and have their lives transformed by the power of innovation.

Our Flagship Range



Dot Matrix Printer



Cash Register



Touch POS



Thermal Printer



Barcode
Scanner

TVS Electronics Limited

South Phase, 7A, Second Floor, Industrial Estate, Guindy, Chennai - 600 032
www.tvs-e.in | Email: sales-support@tvs-e.in

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