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Corporate Information

Board of Directors

Gopal Srinivasan, Chairman
K E Ranganathan
Managing Director
Srilalitha Gopal
D Sundaram
R Ramaraj
Kenneth Tai
Praveen Chakravarty
Nagendra Palte
M Lakshminarayan
M F Farooqui
Narayan K Seshadri
R S Raghavan
(from 4th May 2016)

Committees of the Board

Audit Committee

Praveen Chakravarty
Chairman
D Sundaram
R Ramaraj
Nagendra Palte
M Lakshminarayan
M F Farooqui

Stakeholders' Relationship Committee

R Ramaraj, Chairman
Srilalitha Gopal
D Sundaram

Nomination and Remuneration Committee

M F Farooqui, Chairman
Srilalitha Gopal
Praveen Chakravarty
M Lakshminarayan
Narayan K Seshadri

Business and Technology Committee

M Lakshminarayan
Chairman
R Ramaraj
Nagendra Palte
Narayan K Seshadri

Company Secretary & Compliance Officer

S Nagalakshmi

Chief Executive Officer

Prakash Katama
(from 4th May 2016)

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,
"Shreshtam",
Old No.17, New No.16,
Pattammal Street, Mandaveli,
Chennai - 600 028.

Cost Auditor

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

Bankers

State Bank of Mysore,
State Bank of Travancore and
Canara Bank

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: contactus@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:

Chennai

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

New Delhi

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

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 - 201 301

Ernakulam

No. 39/4113, Ground Floor,
Ravipuram, M G Road,
Ernakulam - 682 016.

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	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
1.	PROFIT AND LOSS ACCOUNT										
	Revenue from operations	27,242	20,764	19,067	19,040	18,162	21,661	23,525	24,742	27,006	59,349
	Other Income	472	765	473	407	199	375	250	220	97	154
	Total Income	27,714	21,529	19,540	19,447	18,361	22,036	23,775	24,962	27,103	59,503
	Earnings before interest Depreciation and Tax (EBITDA)	1,652	2,615	439	666	1,083	1,303	1,080	1,375	1,706	1,977
	Depreciation	702	522	476	449	396	504	619	566	697	860
	Profit before Interest and Tax (EBIT)	950	2,093	(37)	217	686	799	461	809	1,009	1,117
	Finance costs	764	603	522	721	623	659	965	743	692	573
	PBT	186	1,490	(559)	(504)	64	141	(504)	66	317	544
	Tax Expense	-	380	211	(161)	(90)	1	297	26	88	113
	PAT	186	1,110	(770)	(343)	154	140	(801)	40	229	431
2.	BALANCE SHEET										
	Share Capital	1,767	1,767	1,767	1,767	1,767	1,787	1,787	1,802	1,802	1,855
	Reserves & Surplus	2,371	3,296	2,523	2,176	2,324	2,464	1,664	1,749	1,969	2,486
	Networth	4,138	5,063	4,290	3,943	4,091	4,251	3,451	3,551	3,771	4,341
	Loan Funds	8,909	4,538	5,738	6,133	4,498	6,608	6,518	5,796	5,330	3,466
	Capital Employed	13,047	9,601	10,028	10,076	8,589	10,859	9,969	9,347	9,101	7,807
	Deferred Tax Liability	197	158	202	184	81	48	345	385	376	373
	Total	13,244	9,759	10,230	10,260	8,670	10,907	10,314	9,732	9,477	8,180
	Net Fixed Assets	3,397	2,393	2,422	2,135	1,685	4,929	4,651	4,489	4,073	3,843
	Investments	1,692	626	1,501	1,501	2,551	811	214	134	134	41
	Current Assets	13,090	10,596	10,828	9,827	7,526	9,445	9,261	8,735	10,025	11,844
	Current Liability & Provision	4,935	3,856	4,521	3,203	3,091	4,278	3,812	3,626	4,755	7,548
	Net Current Assets	8,155	6,740	6,307	6,624	4,434	5,167	5,449	5,109	5,270	4,296
	Total	13,244	9,759	10,230	10,260	8,670	10,907	10,314	9,732	9,477	8,180
3.	RATIOS										
	EPS (Rs)	1.1	6.3	(4.4)	(2.0)	0.9	0.8	(4.5)	0.2	1.3	2.4
	Dividend (%)	7.5	10.0	-	-	-	-	-	-	-	-
	Book Value per Share (Rs)	23	29	24	22	23	24	19	20	21	23
	Return on Capital Employed (ROCE %)	7.3%	21.8%	(0.4)%	2.2%	8.0%	7.4%	4.6%	8.7%	11.1%	14.3%
	Return on networth (RONW %)	4.5%	21.9%	(18)%	(8.7)%	3.8%	3.3%	-23.2%	1.13%	6.07%	9.93%
	Fixed Asset Turnover Ratio	7.5	7.2	7.9	8.4	9.5	6.6	4.9	5.4	6.3	15.0
	Working Capital Turnover Ratio	3.4	2.8	2.9	2.9	3.3	4.5	4.4	4.7	5.2	12.4
	Debt Equity Ratio	2.2	0.9	1.3	1.6	1.1	1.6	1.9	1.6	1.4	0.8
	EBITDA as % of Sales	6.1%	12.6%	2.3%	3.5%	6.0%	6.0%	4.6%	5.6%	6.3%	3.3%
	EBIT as % of Sales	3.5%	10.1%	(0.2)%	1.1%	3.8%	3.7%	2.0%	3.3%	3.7%	1.9%
	Net profit as % of Total Income	0.7%	5.2%	(3.9)%	(1.8)%	0.8%	0.6%	-3.4%	0.2%	0.8%	0.7%

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 Revenue from Operations for 2015-16 includes income from Distribution Services of Rs.29,946 Lakhs

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

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 Twenty First Annual General Meeting of the Company will be held at 'Narada Gana Sabha' (Sathguru Gnananda Hall), 314, (Old No. 254) T.T.K. Road, Alwarpet, Chennai 600 018 on Thursday, 30th June, 2016 at 10.30 AM to transact the following business.

ORDINARY BUSINESS

1. To consider and give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT the following Audited Financial Statements and reports of the Company, for the financial year ended 31st March, 2016, as circulated to the shareholders be and are hereby adopted:

- a. Standalone and Consolidated Financial Statements;
- b. Reports of the Auditors on the Standalone and Consolidated Financial Statements; and
- c. Report of the Board of Directors on the Standalone Financial Statement".

2. To consider and give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT Ms. Srilalitha Gopal (DIN: 02329790) 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 give assent or dissent to the following 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 third 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 give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT Mr. R S Raghavan, Director (DIN: 00260912), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th May, 2016, 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".

5. To consider and give assent or dissent to the following Ordinary Resolution:

"RESOLVED THAT the remuneration of Rs.1.50 Lakhs plus applicable taxes and out of pocket expenses at actuals, payable to Mr. P. Raju Iyer, Cost Accountant (Membership No. 6987) who was appointed by the Board of Directors of the Company to conduct cost audit for the financial year 2016-17 in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified".

By Order of the Board

Chennai
4th May, 2016

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

Notice to the Members (Contd.)

a single person as Proxy provided that such person shall not act as a Proxy for any other member.

4. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a certified copy of that Power of Attorney duly notarised or other authority shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting. Proxies / authorisations submitted on behalf of the companies, LLPs, societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. The statement pursuant to Section 102 of the Companies Act, 2013 setting out of material facts concerning the items of special business specified above is annexed hereto.
6. The Company is not having any unclaimed dividend amount to be transferred to Investor Education and Protection Fund (IEPF). The unclaimed dividend pertaining to the year ended 31st March 2008, which was unclaimed as on 3rd October 2015 had been transferred to the Investor Education and Protection Fund (IEPF), after sending reminders to those members having unclaimed dividends lying with the Company.
7. 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.
8. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / Depository Participants. Hard copies of the Annual Report will be sent on request. For members who have not registered their email IDs with the Company / Depository Participants, hard copy of the Annual Report is being sent.
9. 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.
10. 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.
11. 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.
12. Members / Proxies attending the meeting should submit the duly signed attendance slip at the entrance of the Hall to attend the meeting.
13. 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.
14. 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.
15. 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.

16. Remote E-voting facility:

(a) In compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provides remote e-voting facility to all the shareholders, through remote e-voting platform of National Securities Depository Limited (NSDL), for voting on all the resolutions.

(b) **Voting rights** will be reckoned on the basis of the number of shares registered in the names of the members / beneficial owners **as on the cut-off date** fixed for this purpose, viz., **June 24, 2016**.

(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 – 21st AGM e-voting.pdf”** with the Client ID or Folio number as password. The PDF file contains the User ID and Password for e-voting. Please note that the password is an initial password which requires to be changed when the password change menu appears.
- ii. Open your web browser during the voting period and log on to the e-voting website www.evoting.nsdl.com
- iii. Click on Shareholder – Login
- iv. Enter User ID and Password as initial password noted in step (i) above. Click Login.

v. Password change menu appears. Change the password with new password with minimum 8 digits / characters or combination thereof. Please note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.

vi. Home page of e-voting opens. Go to “e-voting” icon and select “Active E-Voting Cycles”.

vii. Select “EVEN” of TVS Electronics Limited

viii. Cast your vote and select “Submit” and “Confirm” when prompted.

ix. Upon confirmation, the message “Vote cast successfully” will be displayed.

x. Once the member has voted on the resolution, such member will not be allowed to modify their vote, subsequently.

xi. Institutions members (i.e other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with the attested specimen signature of the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer through email: sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.com and kr.raman@scl.co.in.

(e) In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com or contact NSDL at 022-24994600.

(f) If members are already registered with NSDL for e-voting, then they can use their existing user ID and password for casting the vote.

(g) Members can also update their mobile number and e-mail id in the user profile details of the

Notice to the Members (Contd.)

folio which may be used for sending future communication(s).

- (h) **For members who received the notice of Annual General Meeting in physical form, initial password is provided in the Attendance Slip. Members are requested to follow instruction given in Sl. No.(i) to (ix).**
- (i) **The remote e-voting period commences on June 27, 2016(10.00 am) and ends on June 29, 2016 (5.00pm).** During this period, members holding shares as on **June 24, 2016**, may cast their votes electronically. Thereafter, the remote e-voting facility will be disabled for voting by NSDL. Once a vote on a resolution is cast by a member, such member will not be allowed to change it subsequently.
- (j) The members attending the meeting who have not already cast their vote through remote e-voting, shall be able to exercise their voting rights at the meeting. For such members, physical ballot will be provided by the Company at the meeting. The members who have already cast their vote through remote e-voting can attend the meeting but shall not be entitled to cast their vote again at the meeting. In terms of Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, voting rights on shares lying in the Unclaimed Shares Suspense account, shall remain frozen till the rightful owner claims the shares.
- (k) The Scrutinizer will submit his report on the remote e-voting and voting at the meeting to the Chairman or any other authorised Director, who will declare the result of the voting before 10.30 am on **2nd July 2016**.
- (l) The result of the voting with details of the number of votes cast for and against each resolution, invalid votes and whether the resolution has been carried or not shall be displayed on the notice board of the Company at its Registered Office and at the Administrative Office. Further, the results of the voting along with the Scrutinizer's Report

shall also be placed on the Company's website www.tvse.in and on the website of the NSDL and also communicated to the Stock Exchanges.

- (m) All relevant documents referred to in the accompanying Notice will be open for inspection at the Registered Office of the Company **between 2.00 pm and 4.00 pm** up to and including the date of the AGM.
 - (n) In case of any queries, members may contact the Company at investorservices@tvse.in, or scshares@gmail.com
17. Details under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment and 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.

Ms. Srilalitha Gopal

Ms. Srilalitha Gopal, aged 49 years, is an Engineering Graduate in Computer Science from IISc, Bengaluru, has been a Director from 10th November 2011.

She is the Managing Director of Harita Techserv Limited (HTL). Her direction has enabled the growth of HTL and spurred it to become one of the most preferred design engineering and talent services partners, ensuring success for every stakeholder of HTL. She provides active directional support in the general management and CSR initiatives.

Ms. Srilalitha Gopal does not hold any Equity Shares in the Company.

She is the spouse of Mr. Gopal Srinivasan, Chairman of the Company. She is not on the board of any other listed Company. The other directorships held by her are given below. She is not a member / Chairperson of any of the Committees in these Companies.

Sl. No.	Name of the Companies	Nature of interest
1	Harita Techserv Limited	Managing Director
2.	TVS Investments Limited (Formerly Sundaram Investment Limited)	Director



Notice to the Members (Contd.)

Mr. R S Raghavan

Mr. R S Raghavan, aged 60 years is a Chartered Accountant, Cost and Management Accountant and a Company Secretary and has over 33 years of experience including nearly 24 years in TVS Group companies.

His experience spans across functions like corporate finance, treasury, investments, handling board procedures, credit rating, fund raising, legal / financial accounting,

corporate secretarial etc. He has handled besides restructuring, valuations, mergers and acquisitions, regulatory matters involving RBI, SEBI, High Courts, etc in his career.

He is not related to any of the Directors of the Company. He is not on the board of any other listed entity. The other directorships / Committee memberships and key managerial positions held by him is given below.

Sl. No.	Name of the Companies	Nature of interest	Committee Membership
1	Prime Property Holdings Limited	Director	-
2.	Harita Techserv Limited	Director	-
3.	Chennai Business Consulting Services Limited	Director	Audit / Stakeholders relationship / Remuneration Committee
4.	Benani Foods Private Limited	Director	-
5.	TVS Investments Limited (formerly Sundaram Investment Limited)	Company Secretary	
6	TVS Capital Funds Limited	CFO & Company Secretary	

By Order of the Board

S. Nagalakshmi
Company Secretary

Chennai
4th May, 2016
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. R S Raghavan was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th May, 2016. In terms of Section 161(1) of the Companies Act, 2013, he holds office as Director up to the date of the 21st 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. R S Raghavan as a Director at the 21st Annual General Meeting.

His brief resume together with other details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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. R S Raghavan has

any concern or interest, financial or otherwise, in this item of business.

Item 5

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of Mr. P Raju Iyer, Cost Accountant (Membership No. 6987) as Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed a sum of Rs.1.50 Lakhs plus service tax as may be applicable and reimbursement of out of pocket expenses, as remuneration payable to him, for the financial year 2016-17, subject to the ratification by shareholders. His appointment was approved by the Board of Directors at their meeting held on 4th May, 2016.

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

By Order of the Board

S. Nagalakshmi
Company Secretary

Chennai
4th May, 2016

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



Board's Report to the Members

The Board of Directors present their Twenty First Annual Report on the business and operations of the Company and the financial statements for the year ended 31st March, 2016. The Management Discussion and Analysis (MDAR) is an integral part of this report.

Financial Results

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

(Rs. in Lakhs)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Sales and other income	59,503	27,103
Earnings Before Interest & Tax (EBIT)	904	985
Profit / (Loss) Before Tax (PBT) and before exceptional items	331	293
Exceptional Items / Extra-ordinary Items	213	24
Profit / (Loss) Before Tax	544	317
Profit / (Loss) After Tax (PAT)	431	229
Add: Brought forward from previous year	198	(31)
Total available for appropriations	629	198
Surplus / (Deficit) in Profit and Loss Account	629	198

Business results and key highlights of operations

For the year ended 31st March, 2016, the Company reported Sales Revenue and Other Income of Rs. 595.03 Cr as against Rs. 271.03 Cr in the previous year. Sales include Rs.135.54 Cr from Servicetec business (Previous year Rs.94.10 Cr) and Rs.299.46 Cr from Distribution service business.

The Servicetec business recorded a robust growth of over 40% in revenue and established itself as a strong player in the 'Exclusive Branded Service Centre' delivery model. With strategic tie-up with leading international brands, the Company operates over 60 such exclusive centres across India. The Company also focused on the 'Repair Factory' model where high level repair services

are carried out for these brands. The Company is becoming a preferred choice for major brands in the Mobile Phones and Computers and other IT products for their warranty and repair services.

The market for Dot Matrix Printers (DMP) continued to decline given the preference for end users for new technology laser printers. However, the Company has mitigated this impact by improving POS (Point-of-Sale) business. The market for POS products is growing at a CAGR of 12% riding on the demand from retail sector. The Company focuses on customer-centric products like Thermal Printers, Scanners, Label Printers and has recorded good volume growth. Meeting customer needs through innovative products and solutions helped the Company retain market share in many of these categories. Company's market share in dot matrix printers is strong and the business is profitable and generates valuable cash flow.

During the year, the Company forayed into 'Distribution Services' by tying up with one of the reputed international mobile phone manufacturers to distribute their products in India through e-commerce route. Though the revenue from this line of business is high, the margins are low due to the inherent nature of the business of distribution. The Company is building up valuable experience by distribution through leading e-commerce portals.

The e-auction business provides a robust transparent platform for various manufacturers in disposing off their scrap and surplus materials and realise good value. The Company launched a new product – 'e-procurement' during the year to offer integrated services to customers.

Growing the business

Our Company believes that 'Servicetec Business' remains the major focus in the future for profitable growth; which will come from expanding our service footprints to more cities, (Tier 2/3), where the demand for mobile phone service is increasing. The Company plans to tie up with more leading brands in computers, mobile phones and other consumer electronics products by offering warranty services through multiple delivery models. With the demand for Out-of-Warranty services increasing, we envisage to set up consumer service

Board's Report to the Members (Contd.)

centres under 'Multi-Brand Outlet' (MBO) model. This will help consumers get reliable and high quality services for their devices.

In the 'Products Business' the Company expects the POS category to grow at 12-15% in the future, driven by expanding retail sector. Other sectors like hotels, hospitals, manufacturing also need these products for various customer applications. With the impending movement to GST, it will become mandatory for all retail establishments to generate invoices, which will help grow the category. The Company plans to launch appropriate products for various segments and also work closely with the system integrators in making our products available to the customers. The field team will also be trained to focus more on this growing category, supported by a strong inside-sales team.

MANAGEMENT DISCUSSION AND ANALYSIS

As required under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, a detailed Report on Management Discussions and Analysis is given below:

Economy

The country topped the World Bank's growth outlook and grew at 7.6% in 2015-16 and is expected to grow at 7-8% in 2016-17 driven by many favourable macro factors and decisive Government programs and interventions. Inflation is forecast at around 4-5% in 2016-17 helping stability in prices.

The impact of Make in India and other policy initiatives have led to increased FDI inflows. The main aim of Make in India campaign is to take the share of Manufacturing in GDP from the current 16% to over 25% by the year 2022, to create 100 million jobs by then.

Macro trends, Industry Structure and Development Retail Industry

The Indian retail industry is expected to double to \$1 trillion by 2020 due to rising income, urbanization, consumer preferences etc. The retail sector witnessed high growth with organised retailing formats gaining prominence, especially in Tier 1 and Tier 2 cities.

The kirana stores will continue to be the largest contributor to value share and are likely to account for 60% share.

Small & Medium Industry

The government is leading the efforts through Make in India and Digital India initiatives to bolster the share of SME in India's GDP to 20-25 per cent by the end of 2025. Currently, there are approximately 48 million SMEs in India, employing around 40 per cent of the country's labour and contributing to 17 per cent of India's GDP. The government has launched many programs to grow this sector.

Smartphone Industry

India surpassed US to become second biggest smartphone market in the world by crossing 100 million units with an annual growth rate of 15% and user base of 220 million. India manufactured mobile phone worth Rs. 54,000 crore and 20+ mobile phone brands have started assembling in India. India's mobile phone manufacturing is expected to significantly grow in excess of 50% and the premium smartphone segment growing to 5 million in 2016.

Post sales service market

The mobile and laptop repair market in India is Rs. 6000 Crore in size and is expected to grow at 20% by 2018. With the entry of global players and existence of a few organized national players in the warranty market and many unorganized players in the out of warranty segment, this market is expected to grow exponentially. Your Company envisages increasing opportunities in this space with high device growth, improved connectivity and social networking.

Payment Industry

The Payment industry in India is in transition with the entry of small finance banks, payment banks, mobile wallets, prepaid cash cards with an ultimate aim of driving financial inclusion. Debit card transactions climbed 37% CAGR over past 5 years while credit cards grew at 21% CAGR. With initiatives like Jan Dhan Yojana, Unified Payments Interface, Mobile ATM etc, big jump was seen

Board's Report to the Members (Contd.)

in new accounts opening and usage of cards. Business opportunity arises from such increasing trend for cashless transaction.

E-Commerce Industry

The e-Commerce market in India is expected to quadruple to \$60-70 billion over the next 5 years. Lower costs of connectivity, smartphone proliferation, improving network and logistics infrastructure, easy payment mechanism and superior value propositions are expanding the industry at a rapid pace. Your Company is well positioned to leverage these opportunities.

Outlook

- a) Increasing mobile phone penetration and up trading of these devices, driven by aggressive marketing by national and international brands and service providers have expanded the need for high quality after sales services either on an exclusive basis for a brand or on multi-brand offering basis across India. Our Company has developed an excellent network of walk-in stores for reputed international brands and also of Authorised Service Partners. The quality and excellence of the service offerings through these networks have made the Company a preferred choice of the Brands which the Company expects to leverage fully for profitable growth.
- b) The need for warranty and post warranty services continues to be critical for customers due to increasing sale of devices, catering to enterprises, retail trade and household sector. The entrenched experience of Our Company and the excellence of services culture developed over the years under the reputed brand 'TVS' should enable the Company to leverage the warranty services for the devices through multiple delivery modes like on-site, walk-in centres and repair factories.
- c) Over the last few decades, the consumer appliances sector witnessed good growth and organized retail formats have gained prominence. Growing e-Commerce opportunities and increased use of debit and credit cards have ushered in an online consumer culture in India. As Indian retail sector

continues to grow impressively, our Company plans to serve customers by offering products that are robust for Indian environment while providing fast and reliable service. It will leverage the touch points of sales and service partners to focus on the POS business.

- d) Modern retail formats are expected to grow three fold during the next 5 years. Three key trends to drive growth in modern trade are rapid consumer evolution and up trading; supply-side improvements and positive regulatory environment. These have the potential to significantly grow Point of Sale products.
- e) Unorganized retail, with flexible credit options and convenient shopping locations, will continue to dominate the 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.
- f) Micro industries are expected to make a sizeable contribution to the small and medium sized businesses. It is anticipated that IT services will be their largest overall spending category. Overall business sentiment for conventional IT hardware business remains muted. Tablets & Phablets are taking the share of PC sales. Our 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.

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 and drive Servicetec business leveraging the macro trends and business opportunities as described elsewhere.

Key success factors (and therefore risks) are predicated on timely execution of the plans, building the internal capabilities by attracting and retaining talent and keeping

Board's Report to the Members (Contd.)

pace with technological and market changes. The Board and management of our Company are confident of proactively managing the risks.

Internal Control Systems and their adequacy

The Company ensures that all transactions are authorized, recorded and 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 are 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 are taken.

Risk Management process

Our Company has an established sound risk management process which is overseen by the Audit Committee through a structured framework. Strategic, operational and financial risks are identified and mitigation measures are put in place by the Company and reviewed periodically.

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

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

Business Planning and Information Technology

The Company has moved applications and data base to 'Cloud' based server as planned at the beginning of the year. This has resulted in de-risking the storage of critical information in our own hardware. Going forward, the Company will work on upgrading the software for applications to the current level and help run the business operations in an efficient manner.

The Company introduced 'data analytics' during the year by capturing relevant information across various businesses. The information dash boards helped the management and operating teams to have real time

information to control various processes and take pro-active steps to manage operations.

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 and talent management to support the current and 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-off (MKO) meeting is organized for annual goals deployment and followed by a midyear goal alignment meeting, for review. As part of the "Awards, Recognition & Communication" (ARC) program, the Company recognises the 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

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

Board's Report to the Members (Contd.)

The provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company and hence there was no requirement to constitute a CSR Committee, although the board periodically engages in CSR agenda of the Company. During the year, the Company undertook the following initiatives and also encouraged our employees to participate in various CSR activities.

Chennai floods:

Chennai witnessed unprecedented rains during the month of December 2015 resulting in partial damage/ full washout of house hold items of some of our employees. As an organization, employees volunteered and contributed their one day basic salary to extend possible support and an equal amount was contributed by the Company. The Company provided food and relief materials to hundreds of affected people in the relief camps.

“Project SAHAAI”

Under the guidance of the management, around 40 employees volunteered to support the initiative of rehabilitating the flood hit “Micro Entrepreneurs” around the ecosystem and around 120 “Micro Entrepreneurs” were put back on to each of their respective businesses in a week's time. These include petty shops, small ironing outfits, cycle repair shops and road side vendors.

During the year, the Company extensively conducted eye camps, health and hygiene, education support and provided infrastructure support to the schools.

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 at their meeting held on 5th November 2014 approved the Code of Business Conduct and Ethics (Code) in terms of Schedule IV of Companies Act, 2013 and as per listing regulations. All the members of the Board and senior management personnel have confirmed compliance with the Code for the year ended 31st March, 2016. 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.tvse.in.

Vigil Mechanism / Whistle Blower policy

The Company has established a vigil mechanism, which is overseen by the Audit Committee. The Chairman of the Audit Committee has been appointed as the Ombudsman of the Vigil mechanism. The policy provides a formal mechanism for all directors, employees to report to the management, their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics policy. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning Company. The Policy is available on the Company's Website www.tvse.in.

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 (FPC) as per the regulations. The Board and the designated employees of the Company have confirmed compliance with the FPC as applicable as on 31st March 2016. Code of Conduct for Insider Trading Regulation and the Fair Practices Code are available on the Company's Website www.tvse.in.

Holding Company

Sundaram Investment Limited, our Promoter Company has changed its name to TVS Investments Limited, which was approved by the Registrar of Companies with

Board's Report to the Members (Contd.)

effect from 2nd May 2016. The Promoter Company holds 60.15% as on 31st March 2016 (previous year 61.92%).

Subsidiary Company

Prime Property Holdings Limited (PPH), is the Company's Wholly Owned Subsidiary, which holds 100% of 50,000 Equity Shares of the Company at Rs.10/- each.

The Board of Directors of the Company have approved a Scheme of Amalgamation of PPH with the Company, under Sections 391-394 of Companies Act, 1956 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. [SEBI(LODR) Regulations] The Appointed Date for amalgamation is fixed on 1st April, 2016. The Scheme will be subject to the approval of the Honourable High Court of Madras. The Company is in the process of filing necessary applications with the concerned statutory authorities.

Consolidated Accounts

The accounts of the subsidiary Company, Prime Property Holdings Limited are consolidated with the accounts of the Company in accordance with the provisions of Section 129 of the Companies Act, 2013 and Regulation 33 of SEBI (LODR) Regulations, 2015 and 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 in Form AOC-1 is enclosed as Annexure A.

The Annual Accounts of PPH and related detailed information will be available for inspection by the shareholders at the Registered Office of the Company and the PPH 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, 2016.

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 four times during 2015-16. 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 2016 is Rs.18,55,28,180/- consisting of 1,85,52,818 Equity Shares of Rs.10/- each. During the year, Company allotted 5,30,000 Equity shares of Rs.10/- each to a Non Executive Non Independent Director of the Company, pursuant to his exercise of stock options, in terms of the Employees Stock Option Scheme, 2011.

Particulars of Loans, Guarantees or Investments

During the year, the Company gave an unsecured loan of Rs.1.50 Cr to Prime Property Holdings Limited, its Wholly Owned Subsidiary, to enable them to meet the advance tax obligations and to pursue a new investment opportunity. The said inter corporate deposit carries an interest rate of 12.15% and is repayable before 31st March 2017.

The Company has not given any guarantees or provided any security in connection with any loan to any other body corporate or person covered under the provisions of Section 186 of Companies Act 2013.

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

Related Party Transactions

All the related party transactions entered in to are 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 SEBI (LODR) Regulations. None of the transactions are in the nature of having any potential conflict with the interest of the Company at



Board's Report to the Members (Contd.)

large. There were no material related party transactions during the year.

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

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

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

Directors

Retirement by Rotation

Ms. Srilalitha Gopal (DIN: 02329790), 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 herself for re-appointment. The Board recommends her re-appointment.

Appointment of Non Executive Non Independent Director

Mr. R S Raghavan (DIN 00260912) was appointed as an Additional Director (Non Executive Non Independent) under Section 161 of Companies Act, 2013 with effect from 4th May 2016, to hold office up to 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. A brief resume of Mr. R S Raghavan has been furnished in the Notice convening the Annual General Meeting.

Independent Directors

All independent Directors hold office for a fixed period of five years and are not liable to retire by rotation. An Independent Director representing small shareholder

hold office for a period of 3 years. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16 (1) (b) of the SEBI (LODR) Regulations. The terms of appointment of Independent Directors are available in the Company's web site www.tvs-e.in.

Separate Meeting of Independent Directors

A separate meeting of Independent Directors for the year 2015-16 was held on 6th May 2015. The Independent Directors actively participated and provided guidance to the Company in all it spheres.

Woman Director

In terms of Section 149 of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 of the SEBI (LODR) Regulations, the Company has appointed Ms. Srilalitha Gopal (DIN: 02329790) who is serving on the Board of the Company, since the year 2011.

Chief Executive Officer

Mr. Prakash Katama, Chief Operating Officer, was appointed as the Chief Executive Officer of the Company with effect from 4th May 2016. He is an accomplished professional in Global Supply Chain Practices, with strong leadership and general management skills. His leadership will help the Company achieve its ambitious growth targets and catalyse its transformation into a customer services and solutions business. He is an Industrial Engineer with a degree from University of Texas, Austin, and played a significant role in setting up Nokia's Indian operations. He is designated as a Key Managerial Person under Section 203 of Companies Act, 2013.

As part of Mr. Katama's joining terms, Company agreed to invest through its subsidiary Company, Prime Property Holdings Limited (PPH) in Benani Foods Private Limited (BFPL), a Ready to Cook venture promoted by Mr. Katama and his associates. The Company and PPH helped BFPL strengthen its leadership team and finance its growth through this investment. PPH has nominated

Board's Report to the Members (Contd.)

a director to the Board of BFPL. This was done to ensure that Mr. Katama devotes his full time and efforts to Company and consequently he has since resigned from Board of BFPL.

On a standalone basis, this investment in BFPL is expected to do well, given its products profile which has appeal among the growing urban middle-class

Key Managerial Personnel

Mr. K E Ranganathan (DIN 00058990), Managing Director, Mr. Prakash Katama, Chief Executive Officer 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.

Evaluation of the Board's performance

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

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

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 available on the Company Website www.tvs-e.in.

Statutory Auditors

The Company at the Annual General Meeting held on 4th September, 2014, appointed M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Registration No.004207S) as the statutory auditors of the Company, to hold office for the transitional period of three consecutive years, from the conclusion of the said Annual General Meeting, subject to ratification at every Annual General Meeting, at such remuneration in addition to service tax, out of pocket expenses, travelling and other expenses as may be approved by the Board of Directors of the Company.

It is proposed to re-appoint them as statutory auditors for the final year in the transitional period of three consecutive years, from the conclusion of this Annual General Meeting, subject to ratification by the members. The Company has obtained necessary certificate under Section 141 of the Companies Act, 2013 conveying their eligibility for re-appointment as statutory auditors of the Company for the year 2016-17. In terms of the SEBI (LODR) Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Explanation to remarks in the Independent Auditors Report

1. With reference to the basis of qualified opinion, in the Independent Auditors report, Board wishes to state that the unsecured loan of Rs.1.50 Cr given to Prime Property Holdings Limited, (PPH) was to meet its advance tax obligations and to pursue a new investment opportunity. The Company has been advised by its legal counsel that utilization for the said purpose can be considered as utilization for the purpose of principal business activity of the subsidiary.
2. With reference to the remark made by the Auditors in para 10 of Annexure – 1, the Board wishes to

Board's Report to the Members (Contd.)

state that the theft of mobile sets and the defalcation of cash were detected through internal fraud detection mechanism available in the Company. Since then, the Company has further strengthened the internal procedures as to verification of cash balances and monitoring control over quantities of mobile sets to avoid recurrence of such events.

Internal Auditors

The Company has appointed M/s. Grant Thornton India LLP, as Internal Auditors for the year 2016-17.

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 2016-17. The Company has also received the consent from Mr. P Raju Iyer for his appointment. A sum of Rs.1.50 Lakhs plus service tax, has been fixed by the Board of Directors in addition to the reimbursement of out of pocket expenses and is required to be ratified by the members at the ensuing Annual General Meeting as per Section 148(3) of Companies Act, 2013.

Secretarial Auditors

The Company appointed M/s. S Krishnamurthy & Co., Practising Company Secretaries, Chennai to carry out Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report for the financial year 31st March, 2016 is enclosed as Annexure C.

The Board has appointed M/s. S Krishnamurthy & Co., Practising Company Secretaries, Chennai as the Secretarial Auditors for the financial year 2016-17. Necessary consent has been received from them to act as Secretarial Auditors.

Clarification to the observations in the Secretarial Audit Report

The Secretarial Auditors Report for the year 2015-16 contains an observation that the Company is yet to appoint Chief Financial Officer. The Company has a Business Finance Controller, who is currently discharging the functions of Chief Financial Officer. The Company has shortlisted a few candidates and the recruitment is in the final stages of completion.

Employee Stock Option Plan

During the year, 3,00,000 stock options were granted under the Employees Stock Options Scheme 2011, to an employee of the Company. These options were issued at Rs.10/- per Equity Share and be allotted one Equity Share of the Company of the nominal value of Rs.10/- per Equity Share on payment of exercise price during the exercise period, subject to the criteria to be determined by the Nomination and Remuneration Committee of the Company. 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 2015-16 Brickwork Ratings India Private Limited has upgraded the Company's Credit Rating from 'BBB' 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. However, as per the provisions of Section 136(1) of Companies Act, 2013, the annual report is being sent to all the members excluding this statement. This will be made available for inspection at the registered office of the Company during working hours.

Board's Report to the Members (Contd.)

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.

S. No.	Name	Designation	Ratio to Median Remuneration	% increase in Remuneration
1	Gopal Srinivasan	Chairman	NA	NA
	K E Ranganathan	Managing Director	1:34	Nil
	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 Palle	NEID	NA	NA
	M. Lakshminarayan (from 06 05 2015)	NEID	NA	NA
	M F Farooqui (from 06 05 2015)	NEID	NA	NA
	Narayan K Seshadri (from 06 05 2015)	NENID	NA	NA
	S Nagalakshmi	Company Secretary	NA	30%
2	Percentage Increase in the median remuneration of employees in the financial year		10.36%	
3	The number of permanent employees in the rolls of the Company		421	
4	Explanation in relationship between average increase in remuneration and Company performance	Company performance PBT increase	72%	
		Average increase in remuneration	11%	
5	Comparison of the remuneration of the KMP and Company performance	Percentage increase in KMP remuneration	30%	
6.	Variations in the market capitalization of the Company, Price Earnings Ratio of the Company as at the closing date as at 31st March 2016 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	2014-15	2015-16	Increase / Decrease
	No. of Shares	1,80,22,818	1,85,52,818	5,30,000
	Share Price (in Rs.)			
	BSE	32.90	102.25	210.79%
	NSE	34.45	102.20	196.66%
	EPS (in Rs.)	1.17	2.26	93.16%
	PE Ratio (based on audited results)	29.44	45.22	53.60%
	Company's Market Cap (Rs. in Lakhs)	6,208.86	18,960.98	205.39%
	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.			
7.	Average percentile increase in the salaries of employees other than the managerial personnel during the year 2015-16 was 11% and for the managerial personnel was 16%.			
8.	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.			
9.	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			
10.	It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.			



Board's Report to the Members (Contd.)

E-Waste Management

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

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

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

Corporate Governance

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

A Certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2016.

Other laws

During the year under review, the Company has not received any complaint of sexual harassment from any of the women employees of the Company in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Awards and Recognitions

During the year, the Company has been awarded:

- i) Kalinga Digital Media Private Limited Award for Top 100 Most Trusted Company 2015
- ii) First Data Appreciation Award 2015
- iii) DELL Appreciation Award for Outstanding Performance and Lasting Contribution in Onsite Services 2015
- iv) Lenovo India Services Award 2015

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external consultants, advisors of the Company and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

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

- i) that in the preparation of the annual accounts for the financial year ended 31st March, 2016, 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, 2016 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;

Board's Report to the Members (Contd.)

- iv) that they had prepared the annual accounts for the year ended 31st March, 2016 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 such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

The Directors would also like to express their grateful appreciation for the assistance and co-operation received from the customers, dealer partners, business partners, bankers and its holding companies TVS Investments Limited (Formerly 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
4th May, 2016

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	764.39
7.	Total Assets	926.49
8.	Total Liabilities	926.49
9.	Investments	863.21
10.	Turnover *	140.67
11.	Profit before Taxation	124.43
12.	Provision for Taxation	65.00
13.	Profit after Taxation	59.43
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
4th May, 2016

Gopal Srinivasan
Chairman

Annexure B to Board's Report

FORM MGT - 9 EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on 31st March, 2016

[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: contactus@tvs-e.in |
| (vi) Whether listed company | Yes |
| (vii) Name, Address and Contact details of Registrar and Transfer Agent, if any | Sundaram-Clayton Limited,
Jayalakshmi Estates, 1st Floor, 29, Haddows Road,
Chennai - 600 006 Tel: 91-44-28307700,
E-mail: kr.raman@scl.co.in |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacturing of Computer Printers	26204	16%
2	Trading of:		
	Computer Printers/Keyboards	47411	8%
	Telecom Parts	47414	15%
	Distribution Sales - Mobile Phones	46524	50%
3	Services	61101	11%

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	60.15% (through Sl. No. 2)	Sec.2(46)
2	TVS Investments Limited (Formerly Sundaram Investment Limited), Jayalakshmi Estates, 29, Haddows Road, Chennai - 600 006.	U65993TN2004PLC054696	Holding Company	60.15%	Sec.2(46)
3	Prime Property Holdings Limited, Jayalakshmi Estates, 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			% of total shares
	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters										
(1) Indian										
(a) individual/ HUF	-	-	-	0	-	-	-	-	-	-
(b) Central Govt.	-	-	-	0	-	-	-	-	-	-
(c) State Govt.	-	-	-	0	-	-	-	-	-	-
(d) Bodies Corporate	1,11,60,093	-	1,11,60,093	1,11,60,093	-	1,11,60,093	60.15%	-	-	-1.77%
(e) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	0	-	-	-	-	-	-
Sub-total (A) (1)	1,11,60,093	-	1,11,60,093	1,11,60,093	-	1,11,60,093	60.15%	-	-	-1.77%
(2) Foreign	-	-	-	-	-	-	-	-	-	-
(a) NRIs - individuals	-	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-	-
(d) Banks/ Financial Institutions	-	-	-	-	-	-	-	-	-	-
(e) Any other	-	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A) (1) + (A) (2)	1,11,60,093	-	1,11,60,093	1,11,60,093	-	1,11,60,093	60.15%	0	0	-1.77%
B. Public Shareholding										
(1) Institutions										
(a) Mutual Funds	2,050	2,700	4,750	0.03%	1,500	2,700	4,200	0.02%	550	-0.01%
(b) Banks/ Financial Institutions	61,700	600	62,300	0.35%	18,354	600	18,954	0.08%	43,346	-0.27%
(c) Central Govt.	-	-	-	0	-	-	-	0	-	-
(d) State Govt.	-	-	-	0	-	-	-	0	-	-
(e) Venture Capital Funds	-	-	-	0	-	-	-	0	-	-
(f) Insurance Companies	-	-	-	0	-	-	-	0	-	-
(g) FIs	-	100	100	0	-	100	100	0	-	-
(h) Foreign Venture Capital Funds	-	-	-	0	-	-	-	0	-	-
(i) Others (specify)	-	-	-	0	-	-	-	0	-	-
Sub-total (B) (1)	63,750	3,400	67,150	0.38%	19,854	3,400	23,254	0.10%	43,896	-0.28%

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			% of total shares
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	Demat	Physical	Total	
(2) Non- Institutions												
(a) Bodies Corporate												
(i) Indian	4,44,350	3,71,201	8,15,551	4.53%	4,15,775	3,71,001	7,86,776	4.24%	-28,575	-200	-28,775	-0.29%
(ii) Overseas individuals	-	-	-	-	-	-	-	-	-	-	-	-
(b) Individual Shareholders holding nominal share capital upto Rs. One Lakh	42,32,751	4,77,544	47,10,295	26.14%	39,57,226	12,43,164	52,00,390	28.03%	-2,75,525	7,65,620	4,90,095	1.89%
(ii) Individual Shareholders holding nominal share capital in excess of Rs. One Lakh	9,46,305	20,000	9,66,305	5.36%	18,51,679	-7,63,092	10,88,587	5.87%	9,05,374	-7,83,092	1,22,282	0.51%
(c) Others (specify)												
NRI Non-Repatriable	20,459	800	21,259	0.12%	22,059	800	22,859	0.12%	1,600	0	1,600	0.00%
NRI Repatriable	1,22,815	1,59,350	2,82,165	1.57%	1,17,909	1,52,950	2,70,859	1.46%	-4,906	-6,400	-11,306	-0.11%
Sub-total (B) (2)	57,66,680	10,28,895	67,95,575	37.71%	63,64,648	10,04,823	73,69,471	39.72%	5,97,968	-24,072	5,73,896	2.01%
Total Public Shareholding (B) = (B) (1) + (B) (2)	58,30,430	10,32,295	68,62,725	38.09%	63,84,502	10,08,223	73,92,725	39.82%	6,41,864	-24,072	6,17,792	1.73%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	0	0	0	0.00%
GRAND TOTAL [A + B + C]	1,69,90,523	10,32,295	1,80,22,818	100.00%	1,75,44,595	10,08,223	1,85,52,818	100.00%	5,54,072	-24,072	5,30,000	-



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*	1,11,60,093	61.92	0	1,11,60,093	60.15	0	(1.77)
	TOTAL	1,11,60,093	61.92	0	1,11,60,093	60.15	0	(1.77)

* Name of the Company has been changed to TVS Investments Limited w.e.f. 2nd May, 2016.

(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	11,160,093	61.92		
	At the End of the year *			11,160,093	60.15

* There is no change in the number of shares held during the year. The change in percentage of holding is due to allotment of shares by the Company under ESOP Scheme 2011.

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	Cumulative		Closing Balance	
						No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	TRANZMUTE BUSINESS ADVISORY LLP FOLIO NO. P13050013694	3,50,000	No Change	Opening balance	-	-	-	3,50,000	1.89
2	SANDHYA G PARIKH Client Id : 16010103000000616 DP ID : 10103	91,976	No Change	Closing balance Opening balance	-	-	-	-	-
3	ANITA RAWAT Client Id : 30011185 DP ID : IN301524	54,000	01/04/2015	Closing balance Opening balance	-	-	-	91,976	0.50
			01/05/2015	Transfer / Purchase	10,652	0.06	0.36		
			08/05/2015	Transfer / Purchase	348	0.00	0.36		
			15/05/2015	Transfer / Purchase	2,000	0.01	0.37		
			12/06/2015	Transfer / Purchase	2,893	0.02	0.39		
			19/06/2015	Transfer / Purchase	107	0.00	0.39		
			22/01/2016	Transfer / Sale	13,000	0.07	0.31		
			04/03/2016	Transfer / Sale	4,000	0.02	0.29		
4	M. PARAS	51,631	31/03/2016	Closing balance	-	-	-	53,000	0.29
			01/04/2015	Opening balance	-	-	-	-	-
			25/03/2016	Transfer / Sale	232	0.00	0.28	51,399	0.28
5	P JANARDHAN Client Id : 11237078 DP ID : IN300095	NIL	31/03/2016	Closing balance	-	-	-	-	-
			01/04/2015	Opening balance	-	-	-	-	-
			31/03/2016	Transfer / Purchase	50,000	0.28	0.28	50,000	0.28
6	TANVI J MEHTA Client Id : 12030300000624997 DP ID : 30000	41,022	No Change	Opening balance Closing balance	-	-	-	41,022	0.22
7	MOTILAL OSWAL SECURITIES LIMITED - NSE CLIENT BEN ACCOUNT Client Id : 1201090000011183 DP ID : 10900	NIL	01/04/2015	Opening balance	-	-	-	-	-
			10/04/2015	Transfer / Purchase	2,011	0.01	0.01	-	-
			17/04/2015	Transfer / Sales	134	0.00	0.01	-	-
			24/04/2015	Transfer / Sales	1,468	0.01	0.01	-	-
			01/05/2015	Transfer / Sales	409	0.00	0.00	-	-
			15/05/2015	Transfer / Purchase	238	0.00	0.00	-	-
			22/05/2015	Transfer / Purchase	282	0.00	0.00	-	-
			29/05/2015	Transfer / Sales	500	0.00	0.00	-	-
			05/06/2015	Transfer / Purchase	25	0.00	0.00	-	-
			12/06/2015	Transfer / Purchase	175	0.00	0.00	-	-
			19/06/2015	Transfer / Sales	120	0.00	0.00	-	-
			26/06/2015	Transfer / Purchase	50	0.00	0.00	-	-
			03/07/2015	Transfer / Sales	150	0.00	0.00	-	-
			10/07/2015	Transfer / Purchase	32	0.00	0.00	-	-
			17/07/2015	Transfer / Purchase	868	0.00	0.00	-	-
			24/07/2015	Transfer / Sales	399	0.00	0.00	501	0.00

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Annexure B to Board's Report (Contd.)

8	SACHIDANAND MADAN Client Id : 10708926 DP ID : IN301022	27,094	01/04/2015 31/03/2016	Opening balance Closing balance	-	-	-	-	27,094	0.15
9	MUKESH KANOOGA S Client Id : 40151202 DP ID : IN301637	73,492	01/04/2015 10/04/2015 17/04/2015 10/07/2015 14/08/2015 21/08/2015 04/09/2015 11/09/2015 18/09/2015 25/09/2015 09/10/2015 30/10/2015 06/11/2015 25/12/2015 31/12/2015 31/03/2016	Opening balance Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Transfer / Sales Closing balance	5,827 1,532 4,408 4,300 6,560 9,001 1,201 1,000 1,895 6,000 50 500 4,000 440	0.03 0.01 0.02 0.02 0.04 0.05 0.01 0.01 0.01 0.03 0.00 0.00 0.02 0.00	67,665 66,133 61,725 57,425 50,865 41,864 40,663 39,663 37,768 31,768 31,718 31,218 27,218 26,778	0.38 0.37 0.34 0.32 0.28 0.23 0.23 0.22 0.21 0.18 0.18 0.17 0.15 0.14	27,094	0.15
10	MOTILAL OSWAL SECURITIES LIMITED - NSE CLIENT BEN ACCOUNT Client Id : 11440476 DP ID : IN300095	NIL	01/04/2015 29/05/2015 17/07/2015 21/08/2015 11/09/2015 30/10/2015 04/12/2015 08/01/2016 15/01/2016 22/01/2016 29/01/2016 05/02/2016 12/02/2016 19/02/2016 26/02/2016 04/03/2016 11/03/2016 18/03/2016 25/03/2016 31/03/2016 31/03/2016	Opening balance Transfer / Purchase Transfer / Sales Transfer / Purchase Transfer / Sales Transfer / Purchase Transfer / Sales Transfer / Purchase Transfer / Purchase Transfer / Purchase Transfer / Purchase Transfer / Purchase Transfer / Sales Transfer / Sales Transfer / Purchase Transfer / Purchase Transfer / Purchase Transfer / Purchase Transfer / Purchase Transfer / Sales Closing balance	1,000 1,000 700 700 500 500 6,441 8,460 4,000 8,796 1,700 3,400 316 1,000 3,720 500 6,030 2,918 5,104	0.01 0.01 0.00 0.00 0.00 0.00 0.03 0.05 0.02 0.05 0.01 0.02 0.00 0.01 0.02 0.00 0.03 0.02 0.03	1,000 0 700 0 500 0 6,441 14,901 10,901 19,697 21,397 17,997 17,681 18,681 22,401 22,901 28,931 31,849 26,745	- 0.01 0.00 0.00 0.00 0.00 0.03 0.08 0.06 0.11 0.12 0.10 0.10 0.10 0.12 0.12 0.16 0.17 0.14	26,778	0.14
									26,745	0.14

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 LAKSHMINARAYANAN	NIL		-	-	-	-	-	NIL	-
M F FAROOQUI	NIL		-	-	-	-	-	NIL	
NARAYAN K SESHADRI Client id :1204470004464691 Dp Id : 44700	NIL	01/04/2015	Opening balance						
		06/11/2015	ESOP Allotment	530,000	2.86	530,000	2.86		
		31/03/2016	Closing balance					5,30,000	2.86
R S RAGHAVAN	NIL		-	-	-	-	-	NIL	

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				
(i)	Principal Amount	3,160.92	2,169.30	-	5,330.22
(ii)	Interest due but not paid	30.60	-	-	30.60
(iii)	Interest accrued but not due	-	13.40	-	13.40
	Total (i+ii + iii)	3,191.52	2,182.70	-	5,374.22
	Change in Indebtedness during the financial year				
	Addition	500.00	1,028.37	-	1,528.37
	Reduction	(1,160.92)	(2,169.30)	-	(3,330.22)
	NET CHANGE	(660.92)	(1,140.93)	-	(1,801.85)
	Indebtedness at the end of the financial year				
(i)	Principal Amount	2,500.00	1,028.37	-	3,528.37
(ii)	Interest due but not paid	-	3.49	-	3.49
(iii)	Interest accrued but not due	22.27	-	-	22.27
	Total (i+ii + iii)	2,522.27	1,031.86	-	3,554.13

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

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	15.55	15.55
3	Sweat Equity	-	-
4	Commission -	-	-
	- as % of Profits	-	-
	- Others, specify	-	-
5	Others, please specify (Variable Pay)		
	Total (A)	75.55	75.55
	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	Mr. R Ramaraj	Mr. Praveen Chakravarty	Mr. Kenneth Tai	Dr. Nagendra Palle	Mr. M Lakshmi-narayan	Mr. M F Farooqui	
	Fees for attending Board, Committee Meetings	2.80	1.95	0.50	1.90	1.50	1.50	10.15
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	2.80	1.95	0.50	1.90	1.50	1.50	10.15
2	Other Non-Executive Directors	Name of Directors				Total Amount		
		Mr. Gopal Srinivasan	Ms. Srilalitha Gopal	Mr. D Sundaram	Mr. Narayan K Seshadri			
	Fees for attending Board, Committee Meetings	0.80	1.60	2.45	1.00	5.85		
	Commission	-	-	-	-	-		
	Others, please specify	-	-	-	-	-		
	Total (2)	0.80	1.60	2.45	1.00	5.85		
	Total (B) = (1)+(2)					16.00		
	Total Managerial Remuneration (A) + (B)					91.55		
	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	27.54	27.54
(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	27.54	27.54

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					
	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
4th May, 2016

Gopal Srinivasan
Chairman

Annexure C to Board's Report

Form No. MR-3

Secretarial Audit Report for the financial year ended 31st March 2016

[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-600 006.

We have conducted a secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **TVS ELECTRONICS LIMITED** (hereinafter called "*the Company*") **during the financial year from 1st April 2015 to 31st March 2016** ("*the year*" / "*audit period*" / "*period under review*"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

We are issuing this report based on our verification of the books, papers, minute books and other records maintained, forms/ returns filed, compliance certificates presented to and taken on record by the Board of Directors/ Audit Committee, compliance related action taken during the year as well as after 31st March 2016 but before the issue of this report, and the information/ representations provided by the Company, its officers, agents and authorized representatives during our conduct of Secretarial Audit.

A. We hereby report that:

1. In our opinion, **during the audit period covering the financial year ended on 31st March 2016**, the Company has complied with the statutory provisions listed hereunder, and also has 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 of even date annexed to this report as Annexure – A.
2. We have examined the books, papers, minute books and other records maintained by the Company and forms/ returns/ disclosures/ reports/ statements/ other information filed during/ in respect of the year according to the applicable provisions of:
 - (i) The Companies Act, 2013 (*the Act*) and the rules made thereunder.
 - (ii) The Companies Act, 1956 and the rules made thereunder.

- (iii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iv) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (*SEBI Regulations*).
 - (a) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (upto 14th May 2015);
 - (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (*with effect from 15th May 2015*);
 - (e) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; and
 - (f) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (*with effect from 1st December 2015*).
 - (g) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 read with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (vi) The listing agreements entered into by the Company with:
 - (a) BSE Limited; and
 - (b) National Stock Exchange of India Limited.
- (vii) Secretarial Standard (SS-1) on "Meetings of Board of Directors" and Secretarial Standard (SS-2) on "General Meetings", issued by the Institute of Company Secretaries of India ("*Secretarial Standards*") (*with effect from 1st July 2015*).

Annexure C to Board's Report (Contd.)

- (viii) The following laws that are specifically applicable to the Company, namely, Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006, since one of the Company's units is located in a Special Economic Zone.
3. We are informed that:
- The Company, during the year was not required to comply with the following laws/ regulations and consequently not required to maintain any books, papers, minute books or other records or file any forms/ returns under:
 - Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
 - 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.
 - Considering the nature of the Company's business, no law other than that specified in paragraph 2(viii) above, was specifically applicable to the Company, compliance with which we are specifically required to report on.
4. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2016 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the information and explanations provided to us and *subject to our observation set-out in Annexure B to this report*, the Company has:
- Complied with the applicable provisions of the Act, Rules, SEBI Regulations, Listing agreements and other specific laws mentioned under paragraph A-2 above; and
 - Generally complied with the applicable Secretarial Standards.
- B. We further report that:**
- 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.
 - Adequate notice was given to all the directors to schedule the Board Meetings. Notice of Board meetings were sent at least seven days in advance.
 - Upto 30th June 2015, there was no statutory requirement to send the agenda and notes atleast seven days before the meeting. In respect of Board meetings held after 1st July 2015, agenda and detailed notes on agenda were sent atleast seven days in advance or at a shorter notice with the requisite consent, with the exception of the following items, which were either circulated separately or at the meetings with the requisite consent as required under the Secretarial Standards:
 - Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
 - Additional subjects/ information and supplementary notes.
 - A system exists for seeking and obtaining further information and clarifications on the agenda items before the Board meeting and for meaningful participation at the meeting.
 - We are informed that at Board meetings held during the year:
 - Majority decisions were carried through; and
 - No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.
- C.** We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- D.** We further report that during the audit period, there were no specific events/ actions having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards, other than the allotment of 5,30,000 equity shares of Rs. 10/- each upon exercise of stock options.

For S Krishnamurthy & Co.

Company Secretaries

K. Sriram

Partner

Date : 4th May, 2016

Place : Chennai

Membership No: F6312

Certificate of Practice No: 2215

Annexure C to Board's Report (Contd.)

Annexure – A to Secretarial Audit Report of even date

To,

The Members,

TVS Electronics Limited,

[CIN: L30007TN1995PLC032941]

No.29, Haddows Road,

Chennai-600 006.

Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2016 is to be read along with this letter.

1. Maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the Company's management. Our responsibility is to express an opinion on the secretarial records produced for audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance

related action taken by the Company after 31st March 2016 but before the issue of this report.

4. We have considered compliance related actions taken by the Company based on independent legal/professional opinion obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
7. We have obtained the Management's representation about compliance of laws, rules, regulations, standards and happening of events, wherever required.
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

Date : 4th May, 2016

Place : Chennai

Membership No: F6312

Certificate of Practice No: 2215

Annexure – B to Secretarial Audit Report of even date

Observation

1. In terms of Section 203 (1) (iii) 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 period from 1st April 2014 to 31st March 2016.

For S Krishnamurthy & Co.

Company Secretaries

K. Sriram

Partner

Date : 4th May, 2016

Place : Chennai

Membership No: F6312

Certificate of Practice No: 2215



Annexure 'D' to Board's Report

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

Employees Stock Option Scheme 2011

a)	Options Granted	11,05,000
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	5,60,000
d)	Options Exercised	5,30,000
e)	The total no. of ordinary shares arising as a result of exercise of options	5,30,000
f)	Options lapsed	2,75,000
g)	Variation of terms of options	Nil
h)	Money realized by exercise of options	Rs. 53,00,000/-
i)	Total no. of options in force	3,00,000
j)	(i) Details of options granted to Senior Managerial Personnel during the year	3,00,000
	(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)	Rs. 2.35

For and on behalf of the Board

Chennai
4th May, 2016

Gopal Srinivasan
Chairman

Annexure 'E' to Board's Report

Annexure "E" to Board's Report for the year ended 31st March, 2016

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 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

- i. 24W gate array technology for all 24W Printers. CUFT in progress.
- ii. Low Current print head evaluation is in progress.

(b) Customization projects

- i. 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. 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 & 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 31.03.2016	Year ended 31.03.2015
(a) Total Forex earned (FOB)	6,178.38	3,359.09
(b) Total Forex used (FOB)	9,411.17	9,008.37

For and on behalf of the Board

Chennai
4th May, 2016

Gopal Srinivasan
Chairman



Report on Corporate Governance

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

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

The Company, in line with the philosophy of TVS Group, 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.

(2) 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 and category of the Board of Directors as on 31st March 2016:

Category	No. of Directors
Non Executive Chairman	1
Executive Director (Managing Director)	1
Non Executive Non Independent Directors	2
Non Executive Woman Director	1
Non Executive Independent Directors	6
Total (all non-promoter Directors)	11

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

At the Board meeting held on 4th May 2016, Mr. R S Raghavan (DIN 00260912) has been appointed as Non Executive Non Independent Director. Consequently, the composition of the Board as on date of this report comprised of twelve Board members. All the directors have disclosed other directorships and committee positions in other public companies. It is observed that directorships / committee memberships and chairmanships are as per the prescribed limits provided under the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the financial year 2015-16, four Board Meetings were held respectively on 6th May, 2015, 6th August, 2015, 4th November 2015 and 2nd February, 2016. The gap between any two meetings did not exceed 120 days.

The last Annual General Meeting (AGM) of the Company was held on 6th August, 2015 and ten 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 and AGM held during 2015-16 and 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 2015-16		Whether attended last AGM held on 6 th August, 2015	Number of other Directorships and Committee Memberships / Chairmanships		
		Held	Attended		Other Directorships (a)	Committee Memberships (b)	Committee Chairmanships
Mr. Gopal Srinivasan Chairman DIN 00177699	Chairman Non-Independent Non-Executive	4	3	Yes	11	-	-
Ms. Srilalitha Gopal DIN 02329790	Non-Independent Non-Executive	4	4	Yes	3	-	-
Mr. K E Ranganathan Managing Director DIN 00058990	Non-Independent Executive	4	4	Yes	3	-	-
Mr. D Sundaram DIN 00016304	Non-Independent Non-Executive	4	4	Yes	7	1	1
Mr. R Ramaraj DIN 00090279	Independent Non-Executive	4	4	Yes	10	2	-
Mr. Kenneth Tai DIN 01964412	Independent Non-Executive	4	2	Yes	7	-	-
Mr. Praveen Chakravarty DIN 00766422	Independent Non-Executive	4	4	Yes	5	-	-
Dr. Nagendra Palte DIN 06964686	Independent Non-Executive	4	4	Yes	1	-	-
Mr. M. Lakshminarayan DIN 00064750	Independent Non-Executive	4	3	No	9	2	1
Mr. M F Farooqui DIN 01910054	Independent Non-Executive	4	4	Yes	1	-	-
Mr. Narayan K Seshadri DIN 00053563	Non-Independent Non-Executive	4	3	Yes	18	7	4
Mr. R S Raghavan (c) DIN 00260912	Non Independent Non-Executive	Not Applicable					

(a) includes directorship of private limited companies and bodies corporate. (b) Includes membership of Audit Committee, Stakeholders Relationship Committee.

(c) appointed with effect from 4th May 2016

Shares held by Directors

Details of shares of the Company held by the Directors as on 31st March, 2016 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

Name of the Director	Number of Equity Shares held
Mr. Praveen Chakravarty	NIL
Ms. Srilalitha Gopal	NIL
Dr. Nagendra Palte	NIL
Mr. M Lakshminarayan	NIL
Mr. M F Farooqui	NIL
Mr. Narayan K Seshadri	5,30,000 *

* Shares allotted on 4th November, 2015 under ESOP Scheme 2011 consequent to exercise of stock options granted to him as Director of the Holding Company.

Report on Corporate Governance (Contd.)

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

None of the Directors are related to each other except Mr. Gopal Srinivasan and Ms. 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 Regulation 17 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been placed before the Board for its consideration. The Board periodically reviews compliance of all laws applicable to the Company.

Scheduling and selection of Agenda items for Board Meetings

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

Post meeting follow-up mechanism

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

Code of Conduct for Board of Directors and Senior Management

The Code of Conduct has been communicated to all the Directors and members of the senior management. The Code is also available on the Company's website www.tvs-e.in. All Directors and Senior Management Personnel have confirmed

compliance with the Code for the year ended 31st March, 2016. The Annual Report contains a declaration to this effect signed by the Managing Director.

Directors

Mr. Praveen Chakravarty, Mr. R Ramaraj Mr. Kenneth Tai, Dr. Nagendra Palle, Mr. M Lakshminarayan and Mr. M F Farooqui 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 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 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. Mr. Narayan K Seshadri was appointed as a Non-Executive Non-Independent Director, with effect from 6th May 2015.

The shareholders have appointed Dr. Nagendra Palle, Mr. M Lakshminarayan and Mr. M F Farooqui as an Independent Directors under Section 149 of the Companies Act, 2013 for a period of 5 years, not liable to retire by rotation, by way of a Postal Ballot on 5th August, 2015.

The shareholders have also appointed Mr. Narayan K Seshadri as Director of the Company at the 20th Annual General Meeting held on 6th August, 2015.

Report on Corporate Governance (Contd.)

(3) Audit Committee

On 6th August, 2015, the Board had reconstituted the Audit Committee. 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 Pale – Non Executive Independent

Mr. M Lakshminarayan – Non Executive Independent

Mr. M F Farooqui – Non Executive Independent

The Company Secretary of the Company shall act as the Secretary of the Committee.

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

The Chairman of the Audit Committee was present at the last Annual General Meeting held on 6th August, 2015.

Brief Terms of Reference

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Reviewing, with the management, the quarterly and annual financial results and statements before submission to the Board for approval.
3. Recommending to the Board, the appointment, re-appointment and if required, the replacement

or removal of the statutory auditor including Cost Auditors and the fixation of their fees.

4. Approving payment to statutory auditors, including cost auditors for any other services rendered by them.
5. To review the functioning of the Whistle Blower and Vigil mechanism.
6. Approval or any subsequent modification of transactions of the Company with related parties.
7. Scrutiny of inter-corporate loans and investments
8. Evaluation of internal financial controls and risk management systems
9. Other matters as set out in Section 177 of the Companies Act, 2013 and the rules made thereunder and under Part C of Schedule II read with Regulation 18(3) of the SEBI (LODR) Regulations, 2015.

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

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

Four Audit Committee Meetings were held during the year respectively on 6th May, 2015, 6th August, 2015, 4th November, 2015 and 2nd February, 2016. The gap between any two meetings did not 120 days.

The Audit Committee invites Managing Director, Head of Finance function, representatives of

Report on Corporate Governance (Contd.)

Statutory Auditors and Internal Auditors and such other executives, as may be required.

Details of the Audit Committee Meeting:

The details of Audit Committee meetings attended by its members, in terms of the SEBI (LODR) Regulations, 2015, during the financial year 2015-16 are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Mr. Praveen Chakravarty, Chairman	Non-Executive Director-Independent	4	4
2.	Mr. R Ramaraj	Non-Executive Director-Independent	4	4
3	Dr. Nagendra Palte	Non-Executive Director - Independent	4	4
4	Mr. D Sundaram	Non-Executive Director-Non-Independent	4	4
5	Mr. M Lakshminarayan *	Non-Executive Director - Independent	2	2
6	Mr. M F Farooqui *	Non-Executive Director - Independent	2	2

* with effect from 6th August 2015

(4) Nomination and Remuneration Committee:

On 6th August, 2015, the Board had reconstituted the Nomination and Remuneration Committee in the following manner in terms of Section 178 of the Companies Act, 2013 and also in line with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

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

Mr. Praveen Chakravarty – Non Executive Independent

Mr. M Lakshminarayan – Non Executive Independent

Ms. Srilalitha Gopal – Non Executive Non Independent

Mr. Narayan K Seshadri – Non Executive Non Independent

The Company Secretary shall be the Secretary of the Committee.

Brief terms of reference:

- 1) To identify persons who are qualified to become directors and who may be appointed in senior management and recommend their appointment and / or removal to the Board of Directors of the Company.
- 2) To carry out the evaluation of every Director's performance.
- 3) To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees.
- 4) To formulate the criteria of evaluation of Independent Directors and the Board.
- 5) To devise a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- 6) To review and recommend remuneration of Managing Directors/ Whole time directors based on their performance and defined assessment criteria.
- 7) To administer, monitor, formulate the detailed terms and conditions of the Employees Stock Option Scheme and allot shares under the said ESOP Scheme to the employees / Directors of the Company, its subsidiaries and holding company.
- 8) Other matters as set out in Section 178 of the Companies Act, 2013 and the rules made thereunder and under Part D of Schedule II read with Regulation 19(4) of the SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee met three times during the year on 6th May, 2015, 6th August, 2015 and 14th August, 2015.

Report on Corporate Governance (Contd.)

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	2	2
2.	Mr. Gopal Srinivasan	Non-Executive Director-Non-Independent	2	2
3.	Mr. D Sundaram	Non-Executive Director- Non-Independent	2	2
4.	Mr. Praveen Chakravarty	Non-Executive Director-Independent	3	2
5.	Mr. M F Farooqui, Chairman #	Non-Executive Director-Independent	1	1
6.	Mr. M Lakshminarayan #	Non-Executive Director-Independent	1	1
7.	Ms. Srilalitha Gopal #	Non-Executive Director- Non-Independent	1	1
8.	Mr. Narayan K Seshadri #	Non-Executive Director- Non-Independent	1	1

with effect from 6th August 2015 * upto 6th August 2015

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 www.tvs-e.in.

Remuneration Policy

Directors

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

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

(5) Remuneration to Directors:

(a) Non – Executive Directors

During the year, sitting fees payable to each non-executive director was increased from Rs.10,000/- to Rs.25,000/- for every meeting of the Board / Committee attended by them, which is within the limits prescribed under the Companies Act, 2013.

Details of sitting fees paid for the year ended 31st March, 2016:

Name of the Director	Sitting Fees paid (Rs.)
Mr. Gopal Srinivasan	80,000
Ms. Srilalitha Gopal	1,60,000
Mr. D Sundaram	2,45,000
Mr. R Ramaraj	2,80,000
Mr. Praveen Chakravarty	1,95,000
Mr. Kenneth Tai	50,000
Dr. Nagendra Palte	1,90,000
Mr. M Lakshminarayan	1,50,000
Mr. M F Farooqui	1,50,000
Mr. Narayan K Seshadri	1,00,000

(b) Executive Director

During the previous year, Mr. K E Ranganathan, Managing Director was paid remuneration by way of consolidated salary amounting to Rs.60 Lacs, which was within the limits prescribed under the Companies Act, 2013. Pursuant to the approval of the shareholders by way of postal ballot and the approval of the Central Government on 5th August 2015 and 22nd March 2016, respectively, and based on the eligibility criteria, the Nomination and Remuneration

Report on Corporate Governance (Contd.)

Committee, approved 60,000 stock options to Mr. K E Ranganathan. The value of the stock options as per the SEBI guidelines amounted to Rs.15.55 Lacs. Necessary disclosures were made in the financial statements.

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

Senior Management Personnel

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

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 SEBI (LODR) Regulations, 2015.

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

Evaluation

Board Evaluation

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

Performance Evaluation criteria

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.

(6) Stakeholders' Relationship Committee:

On 6th August, 2015, the Board had reconstituted the Stakeholders' Relationship Committee in the following manner in terms of Section 178 of the Companies Act, 2013 and also in line with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Mr. R Ramaraj – Non Executive Independent Director – Chairman of the Committee

Ms. Srilalitha Gopal – Non Executive Non Independent Director

Mr. D Sundaram – Non Executive Non Independent Director

The Stakeholders' Relationship Committee met four times during the year on 13th April, 2015, 6th August, 2015, 4th November, 2015 and 2nd February, 2016.

Report on Corporate Governance (Contd.)

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

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Mr. R Ramaraj, Chairman	Non-Executive Director- Independent	4	4
2.	Mr. D Sundaram	Non-Executive Director- Non-Independent	4	4
3.	Mr. Praveen Chakravarty *	Non-Executive Director- Independent	2	1
4.	Ms. Srilalitha Gopal #	Non-Executive Director- Non-Independent	2	2

with effect from 6th August 2015

* ceased with effect 6th August 2015

Complaints received and redressed during the financial year 2015-16:

Pending at the beginning of the year	Received during the year	Resolved during the year	Pending at the end of the year
Nil	4	4	Nil

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

As on 31st March, 2016 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, 2016.

Business and Technology Committee:

At the Board Meeting held on 6th August, 2015, the Board has constituted a Business & Technology Committee to review, evaluate, monitor and advise on Company's technological requirements based on emerging technologies and oversee the implementation of new IT initiatives and also to review the efficacy and safety of the existing Information technology systems etc.

The following are the members of the Business and Technology Committee:

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

Mr. R Ramaraj - Non Executive Independent Director
Dr. Nagendra Palle - Non Executive Independent Director

Mr. Narayan K Seshadri - Non Executive Non Independent Director

The Committee met on 23rd September, 2015 and all the members were present in the meeting.

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 SEBI (LODR) Regulations, 2015.

Meeting of Independent Directors

During the year, the Independent Directors met on 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.

The Independent Directors also discussed the Board processes including the evaluation of quality content and timeliness of flow of information between the

Report on Corporate Governance (Contd.)

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.

(7) General Body Meetings:

a. Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
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
2015	Sri Thyaga Brahma Gana Sabha (Vani Mahal), No. 103, G N Chetty Road, T. Nagar, Chennai – 600 017	06.08.2015	3.15 PM

b. Extraordinary General Meeting

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

c. Postal Ballot – August 2015

(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 erstwhile Listing agreement with Stock Exchanges, approval of the shareholders by means of a Postal Ballot was sought vide Notice dated 6th May, 2015 for the following Resolutions:

1. Ordinary Resolution under Section 149, 150, 152, 160, Schedule IV of the Companies Act, 2013 – Appointment of Dr. Nagendra Pale as Independent Director, Mr. M Lakshminarayan, Mr. M F Farooqui as Independent Directors
2. Ordinary Resolution under Section 148 of the Companies Act, 2013 – Ratification of Cost Auditor's remuneration
3. Special Resolution under Section 196, 197, Schedule V of the Companies Act, 2013 - Approval to grant Stock Options to Managing Director

(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 Postal Ballot Results were declared on August 5, 2015. 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				
	Appointment of Dr. Nagendra Pale as Independent Director	Appointment of Mr. M Lakshminarayan as Independent Director	Appointment of Mr. M F Farooqui as Independent Director	Ratification of Cost Auditor's remuneration	Approval to grant Stock Options to Managing Director
Total number of valid ballots	460	459	458	457	452
Total valid votes exercised	1,16,53,580	1,16,53,530	1,16,53,430	1,16,53,030	1,16,52,570
Number of ballots cast	For	446	439	427	400
	Against	14	20	31	52
Votes cast for the resolution	In figures	1,16,51,709	1,16,49,897	1,16,46,033	1,16,48,523
	In %	99.98	99.97	99.94	99.96
Votes cast against the resolution	In figures	1,871	3,633	7,397	11,705
	In %	0.02	0.03	0.06	0.10

Report on Corporate Governance (Contd.)

d. 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
2013-14	Borrowing Powers to the Board under Section 180(1)(c) of the Companies Act, 2013	4 th September, 2014

- e. None of the subjects placed before the shareholders in the 21st Annual General Meeting requires approval by a Postal Ballot.

(8) Means of communications:

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

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

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

(9) General shareholder Information:

a. Annual General Meeting –

Date : Thursday, 30th June 2016

Time : 10.30 a.m.

Venue : Narada Gana Sabha
No.314 (Old No.254), TTK Road,
Alwarpet, Chennai – 600 018.

As required under SEBI (LODR) Regulations, 2015, the particulars of Directors seeking appointment and 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, 30th June 2016.

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

- c. Financial reporting for the quarter ending for financial year ending 31st March, 2017 (Tentative)

30 th June, 2016	On or Before 14 th August, 2016
30 th September, 2016	On or Before 14 th November, 2016
31 st December, 2016	On or Before 14 th February, 2017
31 st March, 2017	On or Before 30 th May, 2017
Annual General Meeting	Between August and September 2017

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

- e. Record date for ascertaining shareholders eligible to cast their votes for the items set out in the notice convening the AGM through e-voting – 24th June 2016

f. Listing on Stock Exchanges:

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

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

Annual listing fees have been paid to the above Stock Exchanges, for the financial year 2016-17.

Corporate Identification Number (CIN) of the Company: L30007TN1995PLC032941

g. Market Price Data

High, Low (based on closing prices) and number of shares traded during each month in the financial year 2015-16 on BSE Limited and National Stock Exchange of India Limited:



Report on Corporate Governance (Contd.)

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, 2015	50.50	33.00	3,52,250	50.50	32.45	7,78,392
May, 2015	53.00	35.75	3,59,213	53.00	35.35	11,05,191
June, 2015	46.60	39.00	1,00,957	46.95	39.05	2,58,626
July, 2015	74.95	41.50	16,87,061	74.80	41.10	43,54,360
August, 2015	147.50	67.50	34,37,731	147.60	66.85	1,05,61,204
September, 2015	118.00	97.50	4,33,716	117.20	97.30	16,71,025
October, 2015	103.80	77.10	8,74,769	104.50	77.15	27,64,885
November, 2015	108.70	88.25	9,25,497	108.40	86.00	34,78,448
December, 2015	148.70	102.10	31,09,880	149.00	102.00	1,25,15,605
January, 2016	160.60	80.60	21,45,931	160.45	81.30	71,74,927
February, 2016	108.60	75.00	5,26,880	109.00	77.00	18,47,987
March, 2016	107.20	102.25	9,97,228	107.40	77.55	42,40,307

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 (%)
2015-16	210.79	(9.36)
2014-15	133.33	24.89
2013-14	(3.75)	18.85

h. Transfer System:

With a view to rendering prompt and efficient services to the investors, the Company has handed over the share registry work pertaining to the Company to M/s. Sundaram-Clayton Limited, (SCL) Chennai, with effect from 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.

i. Distribution of equity shareholding as on 31st March, 2016:

No. of shares held	No. of share Holders	% of share Hold-ers	No. of shares held	% of share Holding
Upto 500	22,116	92.42	25,79,920	13.90
501 to 1000	1,022	4.27	8,38,174	4.52
1001 to 2000	403	1.68	6,31,133	3.40
2001 to 3000	134	0.56	3,41,665	1.84
3001 to 4000	65	0.27	2,32,190	1.25
4001 to 5000	55	0.23	2,59,492	1.40
5001 to 10000	85	0.36	6,21,081	3.35
10001 and above	49	0.20	1,30,49,163	70.34
TOTAL	23,929	100.00	1,85,52,818	100.00

Report on Corporate Governance (Contd.)

j. Pattern of equity shareholding as on 31st March, 2016

Shareholders	No. of shares held	% of total shares held	No. of Shareholders
Promoter Company	1,11,60,093	60.15	1
Directors & Relatives	5,65,700	3.05	6
Corporate Bodies	7,86,776	4.24	348
Nationalised Banks/ MF/ UTI/PFI	23,154	0.12	13
Resident Individuals	57,23,277	30.86	22,784
Foreign Institutional Investors	100	0.00	1
Non-Resident Indians/Overseas Corporate Bodies	2,93,718	1.58	776
TOTAL	1,85,52,818	100.00	23,929

k. Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Details of Equity shares of the Company in dematerialised and physical form as on 31st March, 2016, is given below:

Mode of Holding	Percentage	No. of shareholders	No. of Shares
Demat	94.57	19,225	1,75,44,595
Physical	5.43	4,704	10,08,223
Total	100.00	23,929	1,85,52,818

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

l. Plant / Factories locations:

Plants

Oragadam

Plot No 02-11/2, Hi-Tech SEZ, SIPCOT, Oragadam, Sriperumbudur Taluk, Kancheepuram District - 602 105.

Uttarkhand

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

Repair Factory

Chennai

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

New Delhi

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

Noida

1. A-3, CDR Complex 2nd Floor, Naya Bans, Noida, Uttar Pradesh - 201 301.
2. C-22, Sector - 2, Gautam Budh Nagar, Noida, Uttar Pradesh - 201 301

Ernakulam

39/4113, Ground Floor, Ravipuram, M G Road, Ernakulam - 682 016

m. Address for Investor's Correspondence:

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

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

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

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

During the year under review, the Company has credited Rs.2.99 Lakhs to the Investor Education and Protection Fund (IEPF) pursuant to Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001.

Report on Corporate Governance (Contd.)

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 6th August, 2015 (date of last Annual General Meeting) on the Company's website (www.tvs-e.in).

Consequent to the above transfer of Rs.2.99 Lakhs which was the unclaimed dividend of the Company pertaining to the year ended 31st March, 2008, the Company is not having any unclaimed dividends which is due for remittance into IEPF.

p. Unclaimed Shares:

In terms of Regulation 39 of SEBI (LODR) Regulations, 2015; 94,182 number of unclaimed shares in 640 share certificates were dematerialised and transferred to Unclaimed Suspense Account.

During the year, 400 shares in 3 share certificates were transferred to the rightful owners and 93,782 shares in 637 share certificates remain unclaimed as on 31st March, 2016. The voting rights of such shares shall remain frozen till the rightful owner claims the shares.

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

(a)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	640 shareholders for 94,182 shares
(b)	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	3 shareholders for 400 shares
(c)	number of shareholders to whom shares were transferred from suspense account during the year;	3 shareholders for 400 shares

(d)	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	637 shareholders for 93,782 shares
(e)	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	The voting rights of such shares shall remain frozen till the rightful owner claims the shares

q. Request to Investors

- Investors holding shares in physical mode are requested to communicate change of address, bank account details, dematerialisation request, etc., if any, directly to the Registered Office or the Share Transfer Agent 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 – Electronic copy of full Annual Report are being sent to all the members whose email IDs are registered with the Company / Depository Participants. For members who have not registered their email address with the Company / Depository Participants, hard copy of Annual Reports are being sent. The Company will send a hard copy of the full Annual Report, if requested by the Members. Members are requested to support this initiative and register their e-mail ids promptly with DPs in case of electronic shares or with the STA, in case of physical shares.

Report on Corporate Governance (Contd.)

- Investors who have not availed nomination facility are requested to kindly fill in the nomination form and submit the same to the Company/Share Transfer Agent or the DP along with the requisite proof of nomination.

(10) Other Disclosures:

Related Party transactions

All transactions entered into with Related Parties as defined under Clause 49 of the erstwhile Listing Agreement and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms length basis and did 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 is available on the Company's website www.tvs-e.in.

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

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

Vigil and Whistle Blower mechanism

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

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

Corporate Governance requirement with respect to subsidiary

1. Since the subsidiary is not a material subsidiary, there is no requirement to appoint an Independent Director of the Company on the Board of Directors of the Subsidiary.
2. The Audit committee reviews the financial statements and in particular, the investments made by the subsidiary.
3. The management of the subsidiary periodically presents a statement of all significant transaction to the Board of Directors of the Company.

Since the Company is not having any material subsidiary, there is no requirement to evolve a Policy for determining material subsidiaries.

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

Compliance Certificate from Statutory Auditors

Certificate from M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, confirming compliance with conditions of Corporate Governance under SEBI (Listing Obligations and Requirements) Regulations, 2015 is forming part of this Annual Report.

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.

Employee Stock Options

The information on Options granted by the Company during the financial year 2015-16 and other particulars with regard to Employees' Stock Options are set out under Board's Report.



Report on Corporate Governance (Contd.)

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 SEBI (LODR) Regulations, 2015

Disclosures

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

Familiarisation Program for 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 appraised 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. The Board members are also appraised of their roles, rights and responsibilities under Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

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

The Board:

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

Shareholder's rights

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

Modified opinion in Audit Report

The Auditors' report to the members for the year ended 31st March 2016 has an observation for which the Board has provided necessary clarification in the Board's report.

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.

Auditors Certificate

Auditors Certificate on compliance with the conditions of Corporate Governance

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 ('the Company'), for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the said Company with Stock Exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period ended 1st December 2015 to 31st March, 2016.

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 / Listing Regulations, as applicable.

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
4th May, 2016

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

To

The Shareholders of
TVS Electronics Limited
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 / Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby certify that the Members of the Board of Directors and the Senior Management personnel of the Company have affirmed compliance with the Code of Business Conduct and Ethics of the Company during the year ended 31st March, 2016.

Chennai
4th May, 2016

K E Ranganathan
Managing Director



Independent Auditors' Report

To the Members of,
TVS Electronics Limited,
Chennai.

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 2016, 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by 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 qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

The company has granted an unsecured loan of Rs. 150 lakhs to its wholly owned subsidiary which has no "principal business" activity. It was represented to us that the loan was granted to subsidiary company to enable it to pursue investment activities and to pay advance income tax.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the

Independent Auditors' Report (Contd.)

effects of the matter described in the basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) of the state of affairs of the Company as at 31st March 2016;
- b) its Profit for the year ended on that date; and
- c) its 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-1, a statement on the matters specified in the paragraphs 3 and 4 of the Order.

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 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. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may

not have an adverse effect on the functioning of the Company.

- f. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-2".
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 contracts 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

Place : Chennai
Date : May 04, 2016

Partner
Membership No: F7945

Annexure to the Auditors' Report

Annexure-1 referred to in our report under "Report on Other Legal and Regulatory Requirements Para 1" of even date on the accounts for the year ended 31st March 2016.

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
 (b) Fixed assets are verified physically by the management in accordance with a regular programme at reasonable intervals. Discrepancies noticed on such verification have been properly dealt with in the books of account.
 (c) The title deeds of immovable properties are in the custody of company's banker who has certified for the same.
2. The inventory has been physically verified at reasonable intervals during the year by the management. It was represented to us that inventory with third party is also verified from time to time.
3. During the year, the company has granted an unsecured loan of Rs. 150 lakhs to its wholly owned subsidiary company, viz., Prime Property Holdings Limited, Chennai, which is covered in the register maintained under section 189 of the Companies Act, 2013 on 31st March 2016, on an interest of 12.15% per annum. The payment of principal together with interest been stipulated to be on or before March 31, 2017.

The rate of interest charged and other terms of loan are not prejudicial to the company's interest.
4. *The company has granted an unsecured loan of Rs. 150 lakhs to its wholly owned subsidiary which has no "principal business" activity. It was represented to us that the loan was granted to subsidiary company to enable it to pursue investment activities and to pay advance income tax.*
- The company has complied with the provisions of Section 186 of the Act.
5. The company has not accepted any deposit within the meaning of sections 73 to 76 of the Companies Act, 2013, during the year.
6. We have broadly reviewed the books of account maintained by the company under sub-section (1) of Section 148 of the Companies Act, 2013, read with rules made by the Central Government for maintenance of cost records and are of the opinion that prima-facie, the prescribed accounts and records have been made and maintained.
7. (a) According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues to the appropriate authorities. However we have observed a few instances of belated remittance of Service Tax and Tax Deducted at Source, into the Government.
 (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess were in arrears, as at 31st March 2016 for a period of more than six months from the date they became payable.
 (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:

Annexure to the Auditors' Report (Contd.)

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	261.80	Commissioner of Income Tax (Appeals), Chennai
	Tax deducted at source and interest thereon	14.96	Assessing Officer
Central Excise Act, 1944	Excise Duty	13.23	Customs Excise and Service Tax Appellate Tribunal, Chennai.
Sales Tax - Central Sales Tax / Value Added Tax of various states.	Sales tax	55.40	Departmental Authorities of various states
		1.96	Honourable High Court of Kerala.

8. 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 banks. The company has not borrowed from any financial institution and Government nor has issued any debenture.
9. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence reporting on utilization of such money does not arise.
(b) The company has applied the term loans availed for the purpose for which they were availed .
10. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud by the company has been noticed or reported during the course of our audit.
However, we were informed that amount of Rs. 56.50 lakhs worth of mobile sets were stolen from one service centre and defalcation of Rs. 5.44 lakhs in some centres. These have been charged off in the Statement of Profit and Loss.
11. In our opinion and according to the information and explanations given to us, managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 (including approval by the Central Government).
12. The Company is not a Nidhi company and as such this clause of the Order is not applicable.
13. (a) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013.
(b) The details of transactions during the year have been disclosed in the Financial Statements as required by the applicable accounting standards. Refer note no. - 26(8) to the financial statements.
14. During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures under section 42 of the Companies Act, 2013. However, the company has allotted 5,30,000 numbers of equity shares under ESOP to a non-independent, non-executive director.
15. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with them except for Rs.15,55,328/- being the difference between the grant price and market price, debited to Statement of Profit and Loss, pertaining to grant of 60,000 numbers of equity shares to the Managing Director under ESOP.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

M BALASUBRAMANIAM

Place : Chennai
Date : May 04, 2016

Partner
Membership No: F7945



Annexure to the Auditors' Report

ANNEXURE - 2 Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TVS ELECTRONICS LIMITED, CHENNAI ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- I. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made

Annexure to the Auditors' Report (Contd.)

- only in accordance with authorisations of management and directors of the company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on;

- i. existing policies and procedures adopted by the Company for ensuring orderly and efficient conduct of business.
- ii. continuous adherence to Company's policies.
- iii. existing procedures in relation to safeguarding of Company's fixed assets, investments, inventories, receivables, loans and advances made and cash and bank balances.
- iv. existing system to prevent and detect fraud and errors.
- v. accuracy and completeness of Company's accounting records; and
- vi. existing capacity to prepare timely and reliable financial information.

For Sundaram & Srinivasan

Chartered Accountants
Firm Registration No: 004207S

M BALASUBRAMANIAM

Place : Chennai
Date : May 04, 2016

Partner
Membership No: F7945



Balance Sheet as at 31st March, 2016

₹ in Lakhs

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	1,855.28	1,802.28
(b) Reserves and surplus	2	2,485.59	1,968.36
		<u>4,340.87</u>	<u>3,770.64</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	437.50	-
(b) Deferred tax liabilities (Net)		373.43	376.08
(c) Other Long term liabilities	4	43.87	24.03
(d) Long-term provisions	5	206.22	209.69
		<u>1,061.02</u>	<u>609.80</u>
3 Current liabilities			
(a) Short-term borrowings	6	3,028.37	5,000.22
(b) Trade payables			
i) Total outstanding dues of micro enterprises and small enterprises		41.32	18.34
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,908.25	2,782.72
(c) Other current liabilities	7	1,237.41	1,560.63
(d) Short-term provisions	8	1,111.25	489.47
		<u>10,326.60</u>	<u>9,851.38</u>
TOTAL		<u><u>15,728.49</u></u>	<u><u>14,231.82</u></u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		1,906.74	1,810.98
(ii) Intangible assets		1,934.45	2,262.20
(iii) Intangible assets under development		2.10	-
(b) Non-current investments	10	41.34	134.39
(c) Long-term loans and advances	11	3,232.49	3,194.43
(d) Other non-current assets	12	40.23	38.99
		<u>7,157.35</u>	<u>7,440.99</u>
2 Current assets			
(a) Inventories	13	4,082.86	2,789.21
(b) Trade receivables	14	2,888.56	2,907.70
(c) Cash and cash equivalents	15	565.05	173.32
(d) Short-term loans and advances	16	772.85	518.69
(e) Other current assets	17	261.82	401.91
		<u>8,571.14</u>	<u>6,790.83</u>
TOTAL		<u><u>15,728.49</u></u>	<u><u>14,231.82</u></u>
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director
Chennai
May 4, 2016

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, 2016

₹ in Lakhs

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
I. Revenue from operations (Gross)	18	59,621.81	27,204.28
Less: Excise Duty		272.40	198.36
Revenue from operations (Net)		59,349.41	27,005.92
II. Other income	19	153.63	97.18
III. Total Revenue (I + II)		59,503.04	27,103.10
IV. Expenses:			
Cost of materials consumed	20	8,454.65	10,202.31
Purchases of Stock-in-Trade	20	38,682.98	7,533.43
Changes in inventories of finished goods & stock-in-trade	20	81.41	(276.99)
Employee benefits	21	2,839.76	2,638.98
Finance costs	22	573.40	692.16
Depreciation and Amortization expense		859.60	696.77
Other Expenses	23	7,680.53	5,323.88
Total Expenses		59,172.33	26,810.54
V. Profit before exceptional and extraordinary items and tax (III - IV)		330.71	292.56
VI. Exceptional items	24	189.43	-
VII. Profit before extraordinary items and tax (V + VI)		520.14	292.56
VIII. Income from Extraordinary Items	25	23.39	24.06
IX. Profit before tax (VII + VIII)		543.53	316.62
X. Tax Expense:			
(1) Current tax		115.00	62.00
(2) Deferred tax		(2.65)	31.05
(3) Tax relating to earlier years		-	(5.53)
		112.35	87.52
XI. Profit/(Loss) for the period (IX - X)		431.18	229.10
XII. Earnings per equity share: (Refer Note 26(1)-AS 20)			
EPS before Extraordinary Income			
(1) Basic		2.26	1.17
(2) Diluted		2.25	1.14
EPS after Extraordinary Income			
(1) Basic		2.36	1.27
(2) Diluted		2.35	1.25
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director

Chennai
May 4, 2016

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 31.03.2016		As at 31.03.2015	
	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	1,85,52,818	1,855.28	1,80,22,818	1,802.28
Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid	1,85,52,818	1,855.28	1,80,22,818	1,802.28
Total Share Capital	1,85,52,818	1,855.28	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	530,000	53.00
Shares outstanding at the end of the year	18,552,818	1,855.28

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.

Shares allotted during the year: 5,30,000 numbers of equity shares were allotted on 4th November, 2015 to the holder of 5,30,000 numbers of options under ESOP Scheme, 2011 granted on 29th July, 2014 to Mr.Narayan K.Seshadri a Director of the holding Company who has also become a

Non Executive Non Independent Director of the Company effective 6th May, 2015. On receipt of Rs. 53 Lakhs on allotment of 5,30,000 number of equity shares, Rs. 109.45 Lakhs is recognised as Securities premium.

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 31.03.2016	As at 31.03.2015
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai)	11,160,093	11,160,093

Details of shareholders holding more than five per cent shares

Name of the Shareholder	No. of Shares held	
	As at 31.03.2016	As at 31.03.2015
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai)	11,160,093	11,160,093

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
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	1,326.55
Add : Securities premium on allotment during the year	109.45	-
Closing Balance (b)	1,436.00	1,326.55
c. Share Options Outstanding Account		
Balance at the beginning of the year	74.34	0.84
(+) Current Year Transfer	86.89	73.50
(-) Transferred to Securities premium Account	109.45	-
(-) Written Back in Current Year	0.84	-
Closing Balance (c)	50.94	74.34
d. Other Reserves:		
General Reserve		
Balance at the beginning of the year	294.27	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	294.27
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
Closing Balance (e)	15.00	15.00
f. Surplus i.e. Balance in the Statement of Profit & Loss		
Balance in the Statement of Profit & Loss as at the beginning of the year	197.60	(31.50)
(+) Net Profit/(Net Loss) For the current year	431.18	229.10
Closing Balance (f)	628.78	197.60
Total (h) = (a)+(b)+(c)+(d)+(e)+(f)	2,485.59	1,968.36



Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 3 - Long-term borrowings		
Secured		
Term loans		
From bank #	437.50	-
(Secured by first pari passu hypothecation charge on the entire fixed assets of the company excluding intangible assets)		
Total	<u>437.50</u>	<u>-</u>
(a) Description of loan (Granted on 5 th March, 2016)	Corporate Loan	
(b) Total Loan repayable over term of loans	500.00	
Payable after one year moratorium		
(c) Frequency of repayment(s)	Quarterly	
(d) No. of instalments	8	
(e) Amount payable in each instalment	62.50	
(f) Maturity Date	05.03.2019	
(g) Instalment repayable in FY 2016-17	62.50	
(h) Instalment repayable after FY 2016-17 (included in Long term Borrowings)	437.50	
Note No. 4 - Other Long-Term Liabilities		
Income received in advance		
Unexpired Annual Maintenance Contracts	43.87	24.03
Total	<u>43.87</u>	<u>24.03</u>
Note No. 5 - Long-Term Provisions		
(a) Employee benefits		
Leave encashment	57.16	55.36
(b) Warranty & Sales Tax		
Warranty	124.69	97.34
Sales Tax	-	32.62
(c) Expenses	24.37	24.37
Total (a) + (b) + (c)	<u>206.22</u>	<u>209.69</u>

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 6 - Short-Term Borrowings		
SECURED		
Loans repayable on demand		
From bank	2,000.00	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	-	30.92
(Secured by first charge on the entire fixed assets of the company excluding intangible assets)		
	<u>2,000.00</u>	<u>2,830.92</u>
UNSECURED		
Loans repayable on demand		
From banks	1,028.37	2,169.30
	<u>1,028.37</u>	<u>2,169.30</u>
Total	<u>3,028.37</u>	<u>5,000.22</u>
Note No. 7 - Other Current Liabilities		
Current maturities of Long term debt	62.50	330.00
Interest accrued but not due on borrowings	28.97	42.57
Income received in advance-Unexpired Annual Maintenance Contracts	41.17	29.66
Unclaimed dividends	-	3.05
Other payables :		
Statutory Liabilities	117.75	125.76
Security Deposits	93.20	98.82
Employee's Related	134.72	96.92
Liability towards expenses	759.10	833.85
Total	<u>1,237.41</u>	<u>1,560.63</u>
Note No. 8 - Short Term Provisions		
(a) Employee benefits		
Leave Encashment	17.15	16.21
(b) Warranty	230.16	182.74
(c) Expenses	863.94	290.52
Total (a) + (b) + (c)	<u>1,111.25</u>	<u>489.47</u>

Notes to Balance Sheet (Contd.)

Note No. 9 - Fixed Assets									
Fixed Assets	Gross Block			Accumulated Depreciation			Net Block		
	Balance as at 01.04.2015 ₹ in Lakhs	Additions ₹ in Lakhs	Disposals ₹ in Lakhs	Balance as at 31.03.2016 ₹ in Lakhs	Balance as at 01.04.2015 ₹ in Lakhs	Depreciation charge for the year ₹ in Lakhs	Withdrawn on disposals ₹ in Lakhs	Balance as at 31.03.2016 ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs
a) Tangible Assets									
Land	24.26	-	0.15	24.11	-	-	-	24.11	24.26
Assets under lease	199.15	-	-	199.15	4.22	2.11	-	192.82	194.93
Land Total	223.41	-	0.15	223.26	4.22	2.11	-	216.93	219.19
Buildings including improvements	1,054.15	208.80	1.55	1,261.40	474.43	140.60	1.32	613.71	579.72
Plant and Equipment	3,558.57	138.24	1,029.71	2,667.10	2,838.18	188.79	1,015.18	2,011.79	720.39
Furniture and Fixtures	247.32	74.98	8.24	314.06	129.27	47.51	4.11	172.67	118.05
Vehicles	57.90	0.08	-	57.98	5.32	6.87	-	12.19	52.58
Office equipment	869.23	200.30	211.29	858.24	748.18	120.18	209.75	658.61	121.05
Tangible Assets Total	6,010.58	622.40	1,250.94	5,382.04	4,199.60	506.06	1,230.36	3,475.30	1,810.98
b) Intangible Assets									
Computer software	175.78	25.79	-	201.57	131.56	43.56	-	175.12	44.22
Intellectual Property Rights	800.00	-	-	800.00	760.00	-	-	760.00	40.00
Business Rights	3,262.91	-	-	3,262.91	1,084.93	309.98	-	1,394.91	2,177.98
Intellectual Property and Business Rights Total	4,062.91	-	-	4,062.91	1,844.93	309.98	-	2,154.91	2,217.98
Intangible Assets Total	4,238.69	25.79	-	4,264.48	1,976.49	353.54	-	2,330.03	2,262.20
c) Intangible Assets under development									
Website	-	2.10	-	2.10	-	-	-	2.10	-
Intangible Assets under development Total	-	2.10	-	2.10	-	-	-	2.10	-
Grand Total	10,249.27	650.29	1,250.94	9,648.62	6,176.09	859.60	1,230.36	5,805.33	4,073.18

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03. 2016	As at 31.03.2015
Note No. 10 - Non-Current Investments - Traded Unquoted (At Cost)		
(a) Investment in Equity instruments	5.00	95.73
(b) Other investments	36.34	38.66
Total	41.34	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)
			2016	2015			2016	2015	2016	2015		
(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	Unquoted	Fully paid			-	90.73	Yes	NA
	Sub Total								5.00	95.73		
(b)	Other investments:											
	Capital contribution to TVS Shriram Growth Fund, Chennai	Others	3,634.35	3,866.18	Unquoted	Fully paid	-	-	36.34	38.66	Yes	NA
	Total	Vide Note No: 10							41.34	134.39		



Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 11 - Long Term Loans and Advances - Unsecured, considered good		
a. Capital Advances	14.52	55.43
(a)	<u>14.52</u>	<u>55.43</u>
b. Security Deposits	2,929.48	2,841.78
(b)	<u>2,929.48</u>	<u>2,841.78</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	59.57	137.45
Income Tax Refund receivable	106.62	-
	<u>192.01</u>	<u>163.27</u>
(ii) Advances to Vendors	96.48	133.95
(c)	<u>288.49</u>	<u>297.22</u>
Total (a+b+c)	3,232.49	3,194.43
	<u>3,232.49</u>	<u>3,194.43</u>
Note No. 12 - Other non-current assets		
Claims Receivable - Sales Tax	40.23	38.99
Total	40.23	38.99
	<u>40.23</u>	<u>38.99</u>
Note No. 13 - Inventories		
a. Raw Materials and components (at Cost)		
Components	309.85	405.34
Indirect material	13.94	14.98
Goods-in transit	217.09	218.22
	<u>540.88</u>	<u>638.54</u>
b. Finished goods (at Cost or Net realisable value whichever is lower)		
Manufactured	271.24	352.65
Traded	3,019.88	1,496.24
Goods-in transit	250.86	301.78
	<u>3,541.98</u>	<u>2,150.67</u>
Total (a+b)	4,082.86	2,789.21
	<u>4,082.86</u>	<u>2,789.21</u>

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
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	2,865.64	2,882.24
	<u>2,865.64</u>	<u>2,882.24</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	22.92	25.46
Unsecured, considered doubtful	36.95	50.96
	<u>59.87</u>	<u>76.42</u>
Less: Provision for doubtful debts	36.95	50.96
	<u>22.92</u>	<u>25.46</u>
Total	<u>2,888.56</u>	<u>2,907.70</u>
Note No. 15 - Cash and Cash equivalents		
a. Balances with banks	440.60	166.07
b. Cheques, drafts on hand	116.82	-
c. Cash on hand	7.63	4.20
d. Earmarked balances with banks (Unclaimed dividend)	-	3.05
Total (a+b+c+d)	<u>565.05</u>	<u>173.32</u>
Note No. 16 - Short-term Loans and Advances		
Balance with Statutory Authorities:		
Sales Tax	220.98	62.66
Central Excise	38.44	38.88
Advance payment of income tax less provision	294.19	327.53
Others		
Prepaid expenses	54.63	77.23
Employee Advances	14.61	12.39
Loans and advances to related party	150.00	-
Total	<u>772.85</u>	<u>518.69</u>
Note No. 17 - Other current assets		
a. Interest Receivable	0.18	0.25
b. Unbilled Revenue	255.84	401.66
c. Insurance Claim Receivable	5.80	-
Total (a+b+c)	<u>261.82</u>	<u>401.91</u>



Notes to Statement of Profit and Loss

₹ in Lakhs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Note No. 18 - REVENUE FROM OPERATIONS		
Sale of products	53,161.83	21,905.90
Sale of services	6,449.77	5,285.90
Other operating revenues	10.21	12.48
Less:	59,621.81	27,204.28
Excise duty	272.40	198.36
Total	59,349.41	27,005.92
Note No. 19 - OTHER INCOME		
Interest	28.15	7.39
Dividend	-	4.99
Profit on sale of investments	3.61	-
Profit on sale of fixed assets	1.71	0.64
Foreign exchange fluctuation gain	117.99	81.80
Management Services	1.50	1.50
Other non-operating income	0.67	0.86
Total	153.63	97.18
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	638.54	503.75
b) Add: Purchases *	8,356.99	10,337.10
	8,995.53	10,840.85
c) Less: Closing stock	540.88	638.54
Total (A)	8,454.65	10,202.31
B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
a) Opening stock		
Finished Goods	352.65	75.66
Less: Excise Duty on Finished Goods	4.98	1.47
	347.67	74.19
(i)		
b) Closing stock:		
Finished Goods	271.24	352.65
Less: Excise Duty on Finished Goods	2.95	4.98
	268.29	347.67
(ii)		
Total (B)	79.38	(273.48)
[[(i) - (ii)]]		
Add: (Less): Excise Duty on opening and closing of Finished Goods (Net)	2.03	(3.51)
	81.41	(276.99)
GRAND TOTAL [A + B]	8,536.06	9,925.32
PURCHASES OF STOCK-IN-TRADE		
a) Opening stock	1,798.01	1,102.26
b) Add: Purchases **	40,155.71	8,229.18
	41,953.72	9,331.44
c) Less: Closing stock	3,270.74	1,798.01
Consumption of Traded Items	38,682.98	7,533.43

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

Notes to Statement of Profit and Loss (Contd.)

₹ in Lakhs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Note No. 21 - EMPLOYEE BENEFITS		
Salaries and wages	2,400.21	2,237.99
Leave Encashment	4.02	17.25
Contributions to Provident & other funds	148.90	139.31
Employee Stock Option Scheme (ESOP)	86.05	73.50
Welfare expenses	200.58	170.93
Total	2,839.76	2,638.98
Note No. 22 - FINANCE COSTS		
Interest expense	551.94	653.72
Other borrowing costs - Loan processing charges	21.46	38.44
Total	573.40	692.16
Note No. 23 - OTHER EXPENSES *		
Consumption of stores and spares	102.68	91.47
Power and Fuel	169.88	115.30
Rent	878.19	592.97
Repairs & Maintenance a) Building	295.83	272.96
b) Plant & Equipment	28.12	28.93
c) Office Equipments	313.35	206.45
d) Vehicle	3.80	3.17
Insurance	102.44	74.14
Rates and Taxes (excluding taxes on income)	74.36	55.33
Audit Fees [Refer Note 26 (6)]	20.03	21.48
Directors Sitting Fees	16.00	7.95
Loss on Sale of Assets	19.84	0.42
Business Support Service Charges	1,199.14	-
Travelling & Conveyance	480.18	433.61
Legal & Consultancy	502.20	463.68
Outsource Staffing Services	1,747.98	1,165.03
Miscellaneous expenses	1,726.51	1,790.99
(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	7,680.53	5,323.88



Notes to Statement of Profit and Loss (Contd.)

₹ in Lakhs		
Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Note No. 24 - EXCEPTIONAL ITEMS		
Profit on sale of investment	189.43	-
Total	<u>189.43</u>	<u>-</u>
Note No. 25 - EXTRAORDINARY ITEMS		
Income from sale of land	23.39	24.06
Total	<u>23.39</u>	<u>24.06</u>

Notes to Accounts

26 - 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, applicable duties and 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 31.03.2016	₹ in Lakhs As at / Year ended 31.03.2015
i) Expenses		
Welfare	3.51	0.27
Repairs and Maintenance- Plant and Equipment	1.43	0.34
Other expenses	3.96	2.71
	<u>8.90</u>	<u>3.32</u>

AS - 6 Depreciation Accounting

This Standard is withdrawn from 30.03.2016 and is clubbed with Accounting Standard-10.

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;
 - i) sale of manufactured equipments,
 - ii) traded goods
 - iii) after sales service
 - iv) warranty management & repair services
 - v) information technology (IT) related consultancy services
 - vi) e-auction services
 - vii) distribution 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 InformationTechnology 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 ₹117.99 lakhs (Previous year ₹ 81.80 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 will be 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 goods, income is recognised once the goods are delivered to the designated transporters of the customer or to transporters usually contracted by the Company. In respect of export sales income is recognised on the basis of "LET Export" certificate issued by Customs Authorities.
- h As regards Income from distribution services, the income is recognised on delivery of goods to customers.

AS - 10 Property, Plant and Equipment

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.

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.

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:

On assets whose actual cost does not exceed ₹ 5,000 individually, depreciation has been provided at 100%.

Useful life of Tools & Moulds and Office Equipments are estimated at 3 years based on technical valuation.

In respect of Software, the useful life is estimated at 2 years.

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.

Component Accounting

Useful life of the whole asset and part of the asset:

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

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.

Notes to Accounts (Contd.)

During the year, cost of certain plant and equipment 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 ₹ 117.99 lakhs (Previous year ₹ 81.80 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, 2016

				₹ in Lakhs	
				As at / Year ended 31.03.2016	As at / Year ended 31.03.2015
- Euro	4,07,394	(LY - 4,72,357)	equivalent to ₹	306.29	355.87
- JPY	NIL	(LY - 11,36,660)	equivalent to ₹	-	6.14
- USD	15,59,201	(LY - 14,54,627)	equivalent to ₹	1,062.85	928.55

- b) Foreign currency exposures not covered by Forward exchange contracts as at 31st March, 2016

				₹ in Lakhs	
				As at / Year ended 31.03.2015	
				As at / Year ended 31.03.2016	
- Euro	2,79,249	(LY - 2,56,214)	equivalent to ₹	203.69	177.48
- USD	50,400	(LY - 1,62,655)	equivalent to ₹	34.21	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.

Cost of investments held in TVS Shriram Growth Fund, Chennai as on 31st March 2016 - ₹ 36.34 lakhs (3634.345 units). The market value (NAV) of these units is ₹ 46.77 lakhs as on 31st December, 2015, as per the Account Statement provided by the Investee.

During the year, the company divested its entire shareholding of ₹ 90.73 Lakhs held in Modular Infotech Private Ltd., Pune, for ₹ 280.16 Lakhs realising a gain of ₹ 189.43 Lakhs, which has been reported as an exceptional income.

AS - 14 Accounting for Amalgamation

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

Notes to Accounts (Contd.)

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-600045, 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 31.03.2016	Leave Encashment
a) Expenses recognised in the Statement of Profit and Loss		
(i) Current Service Cost	26.33	1.71
(ii) Interest cost	12.62	4.27
(iii) Expected return on plan assets	(16.22)	-
(iv) Net actuarial loss / (gain) recognised in the year	5.72	3.15
Total	28.45	9.13
b) Change in defined benefit obligation during the year ended 31st March 2016		
Present Value of defined Obligation as at the beginning of the year (01-04-2015)	171.07	55.36
Interest Cost	12.62	4.27
Current Service Cost	26.33	1.71
Benefits Paid	(26.58)	(4.02)
Actuarial Gain/(Loss) on obligation	2.13	3.15
Present value of obligation as at the end of the year (31-03-2016)	185.57	60.47

Notes to Accounts (Contd.)

₹ in Lakhs

	Gratuity As at / Year ended 31.03.2016	Leave Encashment As at / Year ended 31.03.2016
c) Change in fair value of plan assets during the year ended 31st March 2016		
Fair value of planned assets at the beginning of the year (01-04-2015)	173.93	-
Expected Return on planned assets	16.22	-
Contributions	27.58	(4.02)
Benefits paid	(26.58)	4.02
Actuarial Gain/(Loss) on planned assets	(3.60)	-
Fair value of plan assets as at the end of the year (31-03-2016)	187.56	-
(d) Balance Sheet movements		
(i) Net assets/ (Liability) at the beginning of the year (01- 04-2015)	2.86	(55.36)
(ii) Contribution made during the year	27.58	4.02
(iii) Expenses	28.45	9.13
(iv) Net assets/ (Liability) at the end of the year (31-03-2016)	1.99	(60.47)
(e) Actuarial assumptions		
(i) Discount rate used	7.75%	7.75%
(ii) Expected return on plan assets	5.00%	5.00%
(iii) Salary escalation	9.30%	Not Applicable

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

The Company operates in two segments from 1st April, 2015 namely a) Information Technology related products and technical services and b) Distribution services. (Refer Note 26(20)).

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 31.03.2016	₹ in Lakhs As at / Year ended 31.03.2015
Profit after tax before extraordinary income	412.55	210.10
Profit after tax after extraordinary income	431.18	229.10
Weighted average number of equity shares (For Basic EPS)	18,238,583	18,022,818
Weighted average number of equity shares (For Diluted EPS)	18,362,869	18,387,219
Nominal value of the shares	₹ 10/-	₹ 10/-
(i) Earnings per share (Before Extraordinary Income)		
- Basic (₹)	2.26	1.17
- Diluted (₹)	2.25	1.14
(ii) Earnings per share (after Extraordinary Income)		
- Basic (₹)	2.36	1.27
- Diluted (₹)	2.35	1.25

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	368.85	388.78
Less:		
B) Assets:- Tax provisions on inadmissible under the Income Tax Act, 1961	(4.58)	12.7
A- B (Refer Balance Sheet)	373.43	376.08

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

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

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.

Notes to Accounts (Contd.)

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 - ₹ 354.84 Lakhs (Previous Year - ₹ 280.08 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 31.03.2016	As at / Year ended 31.03.2015
3 Trade Payables Includes:		
Disclosure under Micro, Small and Medium Enterprises Development Act (MSMED), 2006.		
i) Principal amount due to suppliers.	41.32	18.34
ii) Interest accrued and due to suppliers on the above amount	-	-
iii) Payment made to suppliers (other than interest) beyond the appointed day	-	-
iv) Interest paid to suppliers in terms of Section 16 of MSMED Act, 2006	-	-
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	-	-
4 Contingent liabilities and Commitments not provided for		
a Contingent Liabilities		
On Gurantees furnished by the Banks	245.14	316.36



Notes to Accounts (Contd.)

	As at / Year ended 31.03.2016	₹ in Lakhs As at / Year ended 31.03.2015
b Claims against the Company not acknowledged as debt	2.00	2.00
c On Letters of Credit opened with Banks	2,291.93	1,401.84
d Commitments		
Estimated amount of contracts remaining to be executed on capital account	88.15	241.37
5 Liability disputed not provided for		
a) Sales Tax	57.36	92.24
b) Central Excise Duty	13.23	13.23
c) Income Tax	276.76	443.17
6 Payment to Auditors		
a) As Auditor	12.60	10.11
b) For taxation matters	2.29	3.37
c) For other services	3.32	4.41
d) Reimbursement of expenses	1.82	3.59
Total	20.03	21.48

7 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 :

- During the year, 5,30,000 options granted earlier to a Director of the holding Company who has also become a Non Executive Non Independent Director of the Company effective 6th May, 2015 have been allotted. ESOP reserve in the books of Rs.109.45 Lakhs has been transferred to Securities premium on allotment of shares.
- During the year, 60,000 options has been granted on 6th May, 2015 to Managing Director of the Company and ESOP Reserve of Rs.15.55 Lakhs has been created.
- Further 3,00,000 options has been granted on 14th October, 2015 to Chief Operating Officer of the Company and ESOP Reserve of Rs.35.39 Lakhs has been created.

8 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)	01.04.2015 to 31.03.2016
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai) (Holding Company of Reporting Entity)	01.04.2015 to 31.03.2016
Wholly owned Subsidiary	
Prime Property Holdings Limited, Chennai	01.04.2015 to 31.03.2016

Notes to Accounts (Contd.)

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

Fellow Subsidiaries

Sundaram-Clayton Limited, Chennai	01.04.2015 to 31.03.2016
TVS Motor Company Limited, Chennai	01.04.2015 to 31.03.2016
Sundaram Auto Components Limited, Chennai	01.04.2015 to 31.03.2016
TVS Capital Funds Limited, Chennai	01.04.2015 to 31.03.2016
TVS-E Access India Limited, Chennai (under liquidation)	01.04.2015 to 31.03.2016
Sundaram Industries Limited, Madurai	01.04.2015 to 31.03.2016
Gallant E-Access Private Limited, Chennai (under liquidation)	01.04.2015 to 31.03.2016
TVS Training and Services Limited, Chennai	01.04.2015 to 31.03.2016
Southern Roadways Limited, Madurai	01.04.2015 to 31.03.2016

Other entities in which Reporting Entity has Significant Influence

Harita Techserv Limited, Chennai	01.04.2015 to 31.03.2016
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Key Management Personnel

Mr. K.E. Ranganathan - Managing Director	01.04.2015 to 31.03.2016
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C) Particulars of transactions with Related Parties

	As at / Year ended 31.03.2016	As at / Year ended 31.03.2015
	₹ in Lakhs	
(i) Services availed		
Harita Techserv Limited, Chennai	4.90	25.38
Sundaram-Clayton Limited, Chennai	7.45	6.80
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai)	43.04	40.12
TVS Capital Funds Limited, Chennai	102.67	100.00
(ii) Sale of Materials / Fixed Assets		
TVS Motor Company Limited, Chennai	87.73	7.25
Sundaram-Clayton Limited, Chennai	0.41	1.34
TVS Capital Funds Limited, Chennai	2.08	-
Sundaram Auto Components Limited, Chennai	0.80	-
(iii) Services rendered		
TVS Motor Company Limited, Chennai	14.47	92.32
TVS Capital Funds Limited, Chennai	8.69	10.00
Sundaram Auto Components Limited, Chennai	4.03	5.06
Harita Techserv Limited, Chennai	0.61	2.56
Sundaram Industries Limited, Madurai	-	0.10
TVS Training and Services Limited, Chennai	3.00	1.60
Sundaram-Clayton Limited, Chennai	88.23	109.17
(iv) Loans granted to related parties		
Prime Property Holdings Limited, Chennai	150.00	-
(v) Interest on loans receivable		
Prime Property Holdings Limited, Chennai	0.05	-



Notes to Accounts (Contd.)

	As at / Year ended 31.03.2016	₹ in Lakhs As at / Year ended 31.03.2015
(vi) Amount outstanding as at Balance Sheet date		
a) Trade Receivables		
Sundaram-Clayton Limited, Chennai	12.51	11.74
TVS Motor Company Limited, Chennai	2.23	6.76
TVS Capital Funds Limited, Chennai	6.12	3.74
b) Trade Payables		
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai)	8.71	10.17
TVS Capital Funds Limited, Chennai	26.24	25.55
Sundaram-Clayton Limited, Chennai	3.78	1.74
Harita Techserv Limited, Chennai	1.77	-
(vii) Remuneration to Key Management Personnel		
Mr. K.E. Ranganathan - Managing Director		
Salary	60.00	80.00
Employee Stock Option Plan	15.55	-
(viii) Allotment of shares to a Non Executive Non Independent Director		
5,30,000 numbers of options under ESOP Scheme, 2011 granted on 29th July, 2014 to Mr.Narayan K.Seshadri as a Director of the holding Company who has also become a Non Executive Non Independent Director of the Company effective 6th May, 2015.		
9 Disclosure Pursuant to Sec 186 (4) of Companies Act, 2013		
Loan granted to Prime Property Holdings Limited, Chennai, wholly owned subsidiary	150.00	-
Purpose - To enable the subsidiary pursue investment activities and to pay advance income tax.		
10 Employee benefits include Bonus payable consequent to retrospective amendment of Payment of Bonus Act, 1965 with effect from 01.04.2014.	3.71	-
11 The provisions of Sec.135 of the Companies Act, 2013 relating to Corporate Social Responsibility are not applicable to this Company.		

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 31.03.2016		Year ended 31.03.2015	
12	RAW MATERIALS & COMPONENTS CONSUMED				
1	Raw Material & Intermediates & Components Consumed				
	i) Integrated Circuits	107.43		141.24	
	ii) Miscellaneous Items	8,428.63		9,784.08	
	(which do not individually account for more than 10% of the value of the consumption)	8,536.06		9,925.32	
		% of total consumption	Amount	% of total consumption	Amount
2	Consumption of Raw materials & Components				
	a) Imported	21.16%	1,806.23	53.33%	5,293.17
	b) Indigenous	78.84%	6,729.83	46.67%	4,632.15
	Total	100.00%	8,536.06	100.00%	9,925.32
13	CONSUMPTION OF MACHINERY SPARES				
	a) Imported	47.64%	12.98	32.37%	9.84
	b) Indigenous	52.36%	14.26	67.63%	20.56
	Total	100.00%	27.24	100.00%	30.40
14	IMPORTS (CIF VALUE)				
	a) Raw materials	23.32		43.28	
	b) Spares, Stores and Components	2,210.17		2,982.97	
	c) Capital goods	-		-	
	d) Traded goods	7,155.86		5,960.19	
	Total	9,389.35		8,986.44	
15	OTHER EXPENDITURE IN FOREIGN CURRENCY				
	Staff Welfare	-		1.13	
	Repairs & Maintenance	-		1.94	
	Travel & Conveyance	6.40		3.88	
	Consultancy, Legal fee & Retainers	8.99		14.68	
	Director Sitting fees	0.50		0.30	
	Marketing Expenses-Salespromotion Others	1.59		-	
	Consumables	4.34		-	
16	SALE BY CLASS OF GOODS				
	(a) Computer Peripherals	13,949.33		15,526.32	
	(b) Income on Services rendered	6,448.75		6,715.63	
	(c) Service, Spares & others	38,951.33		4,763.97	
		59,349.41		27,005.92	
17	EARNINGS IN FOREIGN EXCHANGE				
	Exports	6,178.38		3,359.09	
		6,178.38		3,359.09	
18	LICENSED AND INSTALLED CAPACITY				

Information is not required in view of the abolition of the Industrial Licensing requirements.



Disclosure Statement

19. Disclosure made in terms of Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

₹ in Lakhs

Particulars	Name of the Company	Remarks	Amount Outstanding as on 31.03.2016	Amount Outstanding as on 31.03.2015
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	150.00 -	150.00	-
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 1,116.01	1,116.01	1,095.83

20. Segment revenues, results and other information

₹ in Lakhs

Information about primary business segments

Particulars	Business Segment		
	IT Products & Technical Services	Distribution Services	Total
Revenue			
External Sales	29,403.55	29,945.86	59,349.41
Inter Segment Sales	-	-	-
Total Revenue	29,403.55	29,945.86	59,349.41
Less: Inter Segment Sales - Elimination	-	-	-
Net Revenue	29,403.55	29,945.86	59,349.41
Segmentwise results before interest and tax	810.03	94.08	904.11
Less: Interest	-	-	573.40
Profit before tax from ordinary activities before tax and exceptional items	-	-	330.71
Add: Exceptional items	-	-	189.43
Profit from ordinary activities before tax and after exceptional items	-	-	520.14
Add: Extraordinary items	-	-	23.39
Profit before tax after extraordinary items	-	-	543.53
Less: Tax expense	-	-	112.35
Profit After Tax	-	-	431.18
Segment Assets	13,137.63	2,417.67	15,555.30
Unallocated segment assets	-	-	173.19
Total Assets	13,137.63	2,417.67	15,728.49
Segment Liabilities	3,902.59	3,645.74	7,548.33
Unallocated segment liabilities	-	-	373.43
Total Liabilities	3,902.59	3,645.74	7,921.76
Total Cost incurred during the year to acquire segment assets	647.09	1.10	648.19
Segment depreciation/amortisation	858.50	1.10	859.60
Non-cash expenses / (income) other than depreciation / amortisation	-	-	86.05

Notes to Accounts (Contd.)

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

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

₹ in Lakhs

Description	Year ended 31.03.2016			Year ended 31.03.2015		
	Opening Stock	Production / Purchases meant for Sale	Closing Stock	Opening Stock	Production / Purchases meant for Sale	Closing Stock
	Value	Value	Value	Value	Value	Value
(A) MANUFACTURED ITEMS						
a) Computer Peripherals	344.10		140.83	70.61		344.10
b) Others	8.55		130.41	5.05		8.55
	352.65		271.24	75.66		352.65
(B) TRADED ITEMS						
a) Computer Peripherals	600.48		174.14	383.72		600.48
b) Mobile phones	-		2,067.41	-		-
b) Others	1,197.53		1,029.19	718.54		1,197.53
	1,798.01	40,155.71	3,270.74	1,102.26	8,229.18	1,798.01

For and on behalf of the Board

GOPAL SRINIVASAN

Chairman

K.E. RANGANATHAN

Managing Director

Chennai

May 4, 2016

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



Cash Flow Statement

	Year ended 31.03.2016	Year ended 31.03.2015
₹ in Lakhs		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional/extraordinary items	330.71	292.56
Adjustment for :		
Depreciation and amortisation expenses	859.60	696.77
Employee stock option expense	86.05	73.50
Interest Income	(28.15)	(7.39)
Dividend Income	-	(4.99)
Profit on sale of assets	(1.71)	(0.64)
Profit on sale of investments	(3.61)	-
Loss on sale of assets	19.84	0.42
Interest paid	551.94	653.72
	<u>1,483.96</u>	<u>1,411.39</u>
Operating Profit before Working Capital changes	1,814.67	1,703.95
Adjustment for :		
Inventories	(1,293.65)	(1,107.54)
Trade Receivables	19.14	(59.18)
Loans and Advances	(407.22)	(92.84)
Other non-current / current assets	138.85	(175.98)
Trade Payables	2,148.51	605.56
Non Current / Current liabilities and provisions	314.93	193.04
	<u>920.56</u>	<u>(636.94)</u>
	<u>2,735.23</u>	<u>1,067.01</u>
Direct taxes paid net of provision	-	(56.47)
Net cash from operating activities (A)	2,735.23	1,010.54
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(648.19)	(410.28)
Intangible assets under development	(2.10)	3.17
Sale of Investments	96.66	-
Exceptional / Extraordinary items	212.82	24.06
Sale of fixed assets	2.45	3.52
Interest Income	28.15	7.39
Dividend Income	-	4.99
Net cash from / (used in) investing activities (B)	(310.21)	(367.15)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital against Options under ESOP Scheme	53.00	-
Repayment of Loans	(1,534.35)	(136.11)
Interest paid	(551.94)	(653.72)
Net cash used in financing activities (C)	(2,033.29)	(789.83)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	391.73	(146.44)
Opening Cash and Cash equivalents as at 01.04.2015	173.32	319.76
Closing Cash and Cash equivalents as at 31.03.2016	565.05	173.32

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 4, 2016

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 wholly owned subsidiary (the Holding Company and its wholly owned subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Control over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (the "ICAI"). 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. 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 auditors in terms

Independent Auditors' Report on Consolidated Accounts (Contd.)

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

Basis for Qualified Opinion

The Holding Company has granted an unsecured loan of Rs. 150 lakhs to its wholly owned subsidiary which has no "principal business" activity (eliminated in the consolidation of financial statements). It was represented to us that the loan was granted to the wholly owned subsidiary company to enable it to pursue investment activities and to pay advance income tax.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of its wholly owned subsidiary company whose financial statements reflect total assets of Rs.926.49 lakhs as at 31st March, 2016, total revenues of Rs.140.67 lakhs and net cash inflow amounting to Rs. 27.70 lakhs for the year ended on that date, as considered in the consolidated financial statements. The wholly owned subsidiary's 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 reports 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 reports of the other auditor and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

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 reports 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) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the Group.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its wholly owned subsidiary company incorporated in India, none of the directors of the Group companies is disqualified

Independent Auditors' Report on Consolidated Accounts (Contd.)

as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its wholly owned subsidiary company (incorporated in India) and the operating effectiveness of such controls, refer to our separate report in "Annexure 1".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of other auditor on separate financial statements of the wholly owned subsidiary as noted in "Other Matters":
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group -

Refer Note 26E(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. The wholly owned subsidiary company incorporated in India is not required to transfer any amount into the Investor Education and Protection Fund.

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

M. BALASUBRAMANIAM
Partner
Place : Chennai
Chennai : May 04, 2016 Membership No. : F7945

Annexure to the Independent Auditors' Report on Consolidated Accounts

Annexure 1 - Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of TVS ELECTRONICS LIMITED, CHENNAI ("the Holding Company") and its wholly owned subsidiary company, which is incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its wholly owned subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

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

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

- II. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- III. provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its wholly owned subsidiary company, which is a company

incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to its wholly owned subsidiary company, which is incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

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

M. BALASUBRAMANIAM
Partner
Membership No. : F7945

Place : Chennai
Chennai : May 04, 2016



Consolidated Balance Sheet as at 31st March, 2016

₹ in Lakhs

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share capital	1	1,855.28	1,802.28
(b) Reserves and surplus	2	3,249.98	2,673.36
		<u>5,105.26</u>	<u>4,475.64</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	437.50	-
(b) Deferred tax liabilities (Net)		373.43	376.08
(c) Other Long term liabilities	4	43.87	24.03
(d) Long-term provisions	5	211.87	215.72
		<u>1,066.67</u>	<u>615.83</u>
3 Current liabilities			
(a) Short-term borrowings	6	3,028.37	5,000.22
(b) Trade payables		-	-
i) Total outstanding dues of micro enterprises and small enterprises		41.32	18.34
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		4,908.25	2,782.72
(c) Other current liabilities	7	1,238.80	1,560.89
(d) Short-term provisions	8	1,111.25	489.47
		<u>10,327.99</u>	<u>9,851.64</u>
TOTAL		<u><u>16,499.92</u></u>	<u><u>14,943.11</u></u>
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	9		
(i) Tangible assets		1,906.74	1,827.48
(ii) Intangible assets		1,934.45	2,262.20
(iii) Intangible assets under development		2.10	-
(b) Non-current investments	10	899.55	793.60
(c) Long-term loans and advances	11	3,258.61	3,220.55
(d) Other non-current assets	12	40.23	38.99
		<u>8,041.68</u>	<u>8,142.82</u>
2 Current assets			
(a) Inventories	13	4,082.86	2,789.21
(b) Trade receivables	14	2,888.56	2,907.70
(c) Cash and cash equivalents	15	602.20	182.78
(d) Short-term loans and advances	16	622.85	518.69
(e) Other current assets	17	261.77	401.91
		<u>8,458.24</u>	<u>6,800.29</u>
TOTAL		<u><u>16,499.92</u></u>	<u><u>14,943.11</u></u>
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director
Chennai
May 4, 2016

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, 2016

₹ in Lakhs

Particulars	Note No.	Year ended 31.03.2016	Year ended 31.03.2015
I. Revenue from operations (Gross)	18	59,621.81	27,204.28
Less: Excise Duty		272.40	198.36
Revenue from operations (Net)		59,349.41	27,005.92
II. Other income	19	294.25	97.19
III. Total Revenue (I + II)		59,643.66	27,103.11
IV. Expenses:			
Cost of materials consumed	20	8,454.65	10,202.31
Purchases of Stock-in-Trade	20	38,682.98	7,533.43
Changes in inventories of finished goods & stock-in-trade	20	81.41	(276.99)
Employee benefits	21	2,839.76	2,638.98
Finance costs	22	573.41	692.16
Depreciation and Amortization expense		859.60	696.77
Other Expenses	23	7,696.71	5,324.67
Total Expenses		59,188.52	26,811.33
V. Profit before exceptional and extraordinary items and tax (III - IV)		455.14	291.78
VI. Exceptional items	24	189.43	-
VII. Profit before extraordinary items and tax (V + VI)		644.57	291.78
VIII. Income from Extraordinary Items	25	23.39	24.06
IX. Profit before tax (VII + VIII)		667.96	315.84
X. Tax Expense:			
(1) Current tax		180.00	62.00
(2) Deferred tax		(2.65)	31.05
(3) Tax relating to earlier years		-	(5.62)
		177.35	87.43
XI. Profit/(Loss) for the period (IX - X)		490.61	228.41
XII. Earnings per equity share : (Refer Note 26(1)-AS 20)			
EPS before Extraordinary Income			
(1) Basic		2.59	1.16
(2) Diluted		2.57	1.14
EPS after Extraordinary Income			
(1) Basic		2.69	1.27
(2) Diluted		2.67	1.24
Notes on Accounts	26		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

K.E. RANGANATHAN
Managing Director

Chennai
May 4, 2016

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 Consolidated Balance Sheet

Note No. 1 - Share Capital

Particulars	As at 31.03.2016		As at 31.03.2015	
	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	1,85,52,818	1,855.28	1,80,22,818	1,802.28
Subscribed & Paid up				
Equity Shares of ₹ 10 each fully paid	1,85,52,818	1,855.28	1,80,22,818	1,802.28
Total Share Capital	1,85,52,818	1,855.28	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	530,000	53.00
Shares outstanding at the end of the year	18,552,818	1,855.28

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.

Shares allotted during the year: 5,30,000 numbers of equity shares were allotted on 4th November, 2015 to the holder of 5,30,000 numbers of options under ESOP Scheme, 2011 granted on 29th July, 2014 to Mr. Narayan K. Seshadri a Director of the holding Company who has also become a

Non Executive Non Independent Director of the Company effective 6th May, 2015. On receipt of Rs. 53 Lakhs on allotment of 5,30,000 number of equity shares, Rs. 109.45 Lakhs is recognised as Securities premium.

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 31.03.2016	As at 31.03.2015
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai)	11,160,093	11,160,093

Details of shareholders holding more than five per cent shares

Name of the Shareholder	No. of Shares held	
	As at 31.03.2016	As at 31.03.2015
TVS Investments Limited (formerly Sundaram Investment Limited, Chennai)	11,160,093	11,160,093

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 2 - Reserves and Surplus		
a. Capital Reserves		
Balance at the beginning of the year	60.64	60.60
Capital Reserve on Consolidation	(0.04)	0.04
Closing Balance (a)	60.60	60.64
b. Securities Premium Account		
Balance at the beginning of the year	1,326.55	1,326.55
Add : Securities premium on allotment during the year	109.45	-
Closing Balance (b)	1,436.00	1,326.55
c. Share Options Outstanding Account		
Balance at the beginning of the year	74.34	0.84
(+) Current Year Transfer	86.89	73.50
(-) Transferred to Securities premium Account	109.45	-
(-) Written Back in Current Year	0.84	-
Closing Balance (c)	50.94	74.34
d. Other Reserves:		
General Reserve		
Balance at the beginning of the year	294.27	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	294.27
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
Closing Balance (e)	15.00	15.00
f. Surplus i.e. Balance in the Statement of Profit & Loss		
Balance in the Statement of Profit & Loss as at the beginning of the year	902.56	674.15
(+) Net Profit/(Net Loss) For the current year	490.61	228.41
Closing Balance (f)	1,393.17	902.56
Total (h) = (a)+(b)+(c)+(d)+(e)+(f)	3,249.98	2,673.36



Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 3 - Long-term borrowings		
Secured		
Term loans		
From bank #	437.50	-
(Secured by first pari passu hypothecation charge on the entire fixed assets of the company excluding intangible assets)		
Total	437.50	-
(a) Description of loan (Granted on 5 th March, 2016)	Corporate Loan	
(b) Total Loan repayable over term of loans	500.00	
Payable after one year moratorium		
(c) Frequency of repayment(s)	Quarterly	
(d) No. of instalments	8	
(e) Amount payable in each instalment	62.50	
(f) Maturity Date	05.03.2019	
(g) Instalment repayable in FY 2016-17	62.50	
(h) Instalment repayable after FY 2016-17 (included in Long term Borrowings)	437.50	
Note No. 4 - Other Long-Term Liabilities		
Income received in advance		
Unexpired Annual Maintenance Contracts	43.87	24.03
Total	43.87	24.03
Note No. 5 - Long-Term Provisions		
(a) Employee benefits		
Leave encashment	57.16	55.36
(b) Warranty & Sales Tax		
Warranty	124.69	97.34
Sales Tax	-	32.62
(c) Expenses	24.37	24.37
(d) Tax	5.65	6.03
Total	211.87	215.72

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 6 - Short-Term Borrowings		
SECURED		
Loans repayable on demand		
From bank	2,000.00	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	-	30.92
(Secured by first charge on the entire fixed assets of the company excluding intangible assets)		
	<u>2,000.00</u>	<u>2,830.92</u>
UNSECURED		
Loans repayable on demand		
From banks	1,028.37	2,169.30
	<u>1,028.37</u>	<u>2,169.30</u>
Total	<u>3,028.37</u>	<u>5,000.22</u>
Note No. 7 - Other Current Liabilities		
Current maturities of long term debt	62.50	330.00
Interest accrued but not due on borrowings	28.97	42.57
Income received in advance-Unexpired Annual Maintenance Contracts	41.17	29.66
Unclaimed dividends	-	3.05
Other payables :		
Statutory Liabilities	118.75	125.76
Security Deposits	93.20	98.82
Employee's Related	134.72	96.92
Liability towards expenses	759.49	834.11
Total	<u>1,238.80</u>	<u>1,560.89</u>
Note No. 8 - Short Term Provisions		
(a) Employee benefits		
Leave Encashment	17.15	16.21
(b) Warranty	230.16	182.74
(c) Expenses	863.94	290.52
Total (a) + (b) + (c)	<u>1,111.25</u>	<u>489.47</u>

Notes to Consolidated Balance Sheet (Contd.)

Note No. 9 - Fixed Assets									
Fixed Assets	Gross Block			Accumulated Depreciation				Net Block	
	Balance as at 01.04.2015 ₹ in Lakhs	Additions ₹ in Lakhs	Disposals ₹ in Lakhs	Balance as at 31.03.2016 ₹ in Lakhs	Balance as at 01.04.2015 ₹ in Lakhs	Depreciation charge for the year ₹ in Lakhs	Withdrawn on disposals ₹ in Lakhs	Balance as at 31.03.2016 ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs
a) Tangible Assets									
Land	40.76	-	16.65	24.11	-	-	-	24.11	40.76
Assets under lease	199.15	-	-	199.15	4.22	2.11	-	192.82	194.93
Land Total	239.91	-	16.65	223.26	4.22	2.11	-	216.93	235.69
Buildings including improvements	1,054.15	208.80	1.55	1,261.40	474.43	140.60	1.32	613.71	579.72
Plant and Equipment	3,558.57	138.24	1,029.71	2,667.10	2,838.18	188.79	1,015.18	2,011.79	720.39
Furniture and Fixtures	247.32	74.98	8.24	314.06	129.27	47.51	4.11	172.67	118.05
Vehicles	57.90	0.08	-	57.98	5.32	6.87	-	12.19	52.58
Office equipment	869.23	200.30	211.29	858.24	748.18	120.18	209.75	658.61	121.05
Tangible Assets Total	6,027.08	622.40	1,267.44	5,382.04	4,199.60	506.06	1,230.36	3,475.30	1,827.48
b) Intangible Assets									
Computer software	175.78	25.79	-	201.57	131.56	43.56	-	175.12	44.22
Intellectual Property Rights	800.00	-	-	800.00	760.00	-	-	760.00	40.00
Business Rights	3,262.91	-	-	3,262.91	1,084.93	309.98	-	1,394.91	2,177.98
Intellectual Property and Business Rights Total	4,062.91	-	-	4,062.91	1,844.93	309.98	-	2,154.91	2,217.98
Intangible Assets Total	4,238.69	25.79	-	4,264.48	1,976.49	353.54	-	2,330.03	2,262.20
c) Intangible Assets under development									
Website	-	2.10	-	2.10	-	-	-	2.10	-
Intangible Assets under development Total	-	2.10	-	2.10	-	-	-	2.10	-
Grand Total	10,265.77	650.29	1,267.44	9,648.62	6,176.09	859.60	1,230.36	5,805.33	4,089.68

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 10 - Non-Current Investments - Trade Unquoted (At Cost)		
(a) Investment in Equity instruments	60.00	140.76
(b) Other investments	839.55	652.84
Total	899.55	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)
			2016	2015			2016	2015	2016	2015		
(a)	Investment in Equity Instruments - Trade Unquoted											
i)	Modular Infotech Private Limited, Pune	Others	-	907,255	Unquoted	Fully paid			-	90.73	Yes	NA
	Sub Total								-	90.73		
(b)	Other investments:											
i)	Capital contribution to TVS Shriram Growth Fund, Chennai	Others	58,651.94	62,303.51	Unquoted	Fully paid	-	-	614.57	652.84	Yes	NA
ii)	TVS Training and Services Limited, Chennai	Others	600,000	500,000	Unquoted	Fully paid	9.16	7.63	60.00	50.00	Yes	NA
iii)	Cumulative Compulsorily Convertible Participating Preference Share of ₹ 10 each in Benani Foods Private Limited	Others	4,226	-	Unquoted	Fully paid	100	-	224.98	-	Yes	NA
	Total (b)								899.55	702.84		
(c)	Pro-rata Share in the profit of the erstwhile associate company								-	0.04		
	Total (c)								-	0.04		
	Total (a)+(b)+(c)	Vide Note No.10							899.55	793.60		



Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
Note No. 11 - Long Term Loans and Advances - Unsecured, considered good		
a. Capital Advances	14.52	55.43
(a)	<u>14.52</u>	<u>55.43</u>
b. Security Deposits	2,929.48	2,841.78
(b)	<u>2,929.48</u>	<u>2,841.78</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	59.57	137.46
Income Tax Refund Receivable	132.74	26.11
	<u>218.13</u>	<u>189.39</u>
(ii) Advances to Vendors	96.48	133.95
(c)	<u>314.61</u>	<u>323.34</u>
Total (a+b+c)	3,258.61	3,220.55
	<u><u>3,258.61</u></u>	<u><u>3,220.55</u></u>
Note No. 12 - Other non-current assets		
Claims Receivable - Sales Tax	40.23	38.99
Total	40.23	38.99
	<u><u>40.23</u></u>	<u><u>38.99</u></u>
Note No. 13 - Inventories		
a. Raw Materials and components (at Cost)		
Components	309.85	405.34
Indirect material	13.94	14.98
Goods-in transit	217.09	218.22
	<u>540.88</u>	<u>638.54</u>
b. Finished goods (at Cost or Net realisable value whichever is lower)		
Manufactured	271.24	352.65
Traded	3,019.88	1,496.24
Goods-in transit	250.86	301.78
	<u>3,541.98</u>	<u>2,150.67</u>
Total (a+b)	4,082.86	2,789.21
	<u><u>4,082.86</u></u>	<u><u>2,789.21</u></u>

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2016	As at 31.03.2015
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	2,865.64	2,882.24
	<u>2,865.64</u>	<u>2,882.24</u>
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	22.92	25.46
Unsecured, considered doubtful	36.95	50.96
	<u>59.87</u>	<u>76.42</u>
Less: Provision for doubtful debts	36.95	50.96
	<u>22.92</u>	<u>25.46</u>
Total	<u>2,888.56</u>	<u>2,907.70</u>
Note No. 15 - Cash and Cash equivalents		
a. Balances with banks	477.75	175.53
b. Cheques, drafts on hand	116.82	-
c. Cash on hand	7.63	4.20
d. Earmarked balances with banks (Unclaimed dividend)	-	3.05
Total (a+b+c+d)	<u>602.20</u>	<u>182.78</u>
Note No. 16 - Short-term Loans and Advances		
Balance with Statutory Authorities:		
Sales Tax	220.98	62.66
Central Excise	38.44	38.88
Advance payment of income tax less provision	294.19	327.53
Others		
Prepaid expenses	54.63	77.23
Employee Advances	14.61	12.39
Total	<u>622.85</u>	<u>518.69</u>
Note No. 17 - Other current assets		
a. Interest Receivable	0.13	0.25
b. Unbilled Revenue	255.84	401.66
c. Insurance Claim Receivable	5.80	-
Total (a+b+c)	<u>261.77</u>	<u>401.91</u>



Notes to Consolidated Statement of Profit and Loss

₹ in Lakhs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Note No. 18 - REVENUE FROM OPERATIONS		
Sale of products	53,161.83	21,905.90
Sale of services	6,449.77	5,285.90
Other operating revenues	10.21	12.48
Less:	59,621.81	27,204.28
Excise duty	272.40	198.36
Total	59,349.41	27,005.92
Note No. 19 - OTHER INCOME		
Interest	32.76	7.40
Dividend	-	4.99
Profit on sale of investments	56.12	-
Profit on sale of fixed assets	85.21	0.64
Foreign exchange fluctuation gain	117.99	81.80
Management Services	1.50	1.50
Other non-operating income	0.67	0.86
Total	294.25	97.19
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	638.54	503.75
b) Add: Purchases *	8,356.99	10,337.10
	8,995.53	10,840.85
c) Less: Closing stock	540.88	638.54
Total (A)	8,454.65	10,202.31
B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
a) Opening stock		
Finished Goods	352.65	75.66
Less: Excise Duty on Finished Goods	4.98	1.47
(i)	347.67	74.19
b) Closing stock:		
Finished Goods	271.24	352.65
Less: Excise Duty on Finished Goods	2.95	4.98
(ii)	268.29	347.67
Total (B)	79.38	(273.48)
Add: (Less): Excise Duty on opening and closing of Finished Goods (Net)	2.03	(3.51)
	81.41	(276.99)
GRAND TOTAL [A + B]	8,536.06	9,925.32
PURCHASES OF STOCK-IN-TRADE		
a) Opening stock	1,798.01	1,102.26
b) Add: Purchases **	40,155.71	8,229.18
	41,953.72	9,331.44
c) Less: Closing stock	3,270.74	1,798.01
Consumption of Traded Items	38,682.98	7,533.43

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

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

₹ in Lakhs

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
Note No. 21 - EMPLOYEE BENEFITS		
Salaries and wages	2,400.21	2,237.99
Leave Encashment	4.02	17.25
Contributions to Provident & other funds	148.90	139.31
Employee Stock Option Scheme (ESOP)	86.05	73.50
Welfare expenses	200.58	170.93
Total	2,839.76	2,638.98
Note No. 22 - FINANCE COSTS		
Interest expense	551.95	653.72
Other borrowing costs - Loan processing charges	21.46	38.44
Total	573.41	692.16
Note No. 23 - OTHER EXPENSES *		
Consumption of stores and spares	102.68	91.47
Power and Fuel	169.88	115.30
Rent	878.19	592.97
Repairs & Maintenance a) Building	295.83	272.96
b) Plant & Equipment	28.12	28.93
c) Office Equipments	313.35	206.45
d) Vehicle	3.80	3.17
Insurance	102.44	74.14
Rates and Taxes (excluding taxes on income)	74.47	55.38
Audit Fees [Refer Note 26 (6)]	20.32	21.65
Directors Sitting Fees	16.00	7.95
Loss on Sale of Assets	19.84	0.42
Business Support Service Charges	1,199.14	-
Travelling & Conveyance	480.18	433.61
Legal & Consultancy	517.98	463.68
Outsource Staffing Services	1,747.98	1,165.03
Miscellaneous expenses	1,726.51	1,791.56
(Under this head there is no expenditure which is in excess of 1% of revenue from operations or ₹ 1 lakh, whichever is higher)		
Total	7,696.71	5,324.67
Note No. 24 - EXCEPTIONAL ITEMS		
Profit on sale of investment	189.43	-
Total	189.43	-
Note No. 25 - EXTRAORDINARY ITEMS		
Income from sale of land	23.39	24.06
Total	23.39	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				
TVS Electronics Limited, Chennai	85.03%	4,340.87	87.89%	431.18
Wholly Owned Subsidiary - Indian				
Prime Property Holdings Ltd. , Chennai	15.07%	769.39	12.11%	59.43
Sub-total	100.10%	5,110.26	100.00%	490.61
Less: Effect of inter company eliminations	0.10%	5.00	-	-
Total	100.00%	5,105.26	100.00%	490.61

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	31.03.2016	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 31.03.2016	As at 31.03.2015
E. CONTINGENT LIABILITIES AND COMMITMENTS NOT PROVIDED FOR		
a) Contingent Liabilities		
On Gurantees furnished by the Banks	245.14	316.36
b) Claims against the Company not acknowledged as debt	2.00	2.00
c) On Letters of Credit opened with Banks	2,291.93	1,401.84
d) Commitments		
Estimated amount of contracts remaining to be executed on capital account	88.15	241.37
e) Liability disputed not provided for		
a) Sales Tax	57.36	92.24
b) Central Excise Duty	13.23	13.23
c) Income Tax	276.76	443.17

F. Segment revenues, results and other information

₹ in Lakhs

Information about primary business segments

Particulars	Business Segment			
	IT Products & Technical Services	Distribution Services	Property Development	Total
Revenue				
External Sales	29,403.55	29,945.86	-	59,349.41
Inter Segment Sales	-	-	-	-
Total Revenue	29,403.55	29,945.86	-	59,349.41
Less: Inter Segment Sales - Elimination	-	-	-	-
Net Revenue	29,403.55	29,945.86	-	59,349.41
Segmentwise results before interest and tax	810.05	94.08	124.42	1,028.55
Less: Interest	-	-	-	573.41
Profit before tax from ordinary activities before tax and exceptional items	-	-	-	455.14
Add: Exceptional items	-	-	-	189.43
Profit from ordinary activities before tax and after exceptional items	-	-	-	644.57
Add: Extraordinary items	-	-	-	23.39
Profit before tax after extraordinary items	-	-	-	667.96
Less: Tax expense	-	-	-	177.35
Profit After Tax	-	-	-	490.61
Segment Assets	12,956.45	2,417.67	926.48	16,300.60
Unallocated segment assets	-	-	-	199.32
Total Assets	12,956.45	2,417.67	926.48	16,499.92
Segment Liabilities	3,902.59	3,645.74	7.09	7,555.42
Unallocated segment liabilities	-	-	-	373.43
Total Liabilities	3,902.59	3,645.74	7.09	7,928.85
Total Cost incurred during the year to acquire segment assets	647.09	1.10	-	648.19
Segment depreciation/amortisation	858.50	1.10	-	859.60
Non-cash expenses / (income) other than depreciation / amortisation	-	-	-	86.05



Consolidated Cash Flow Statement

	₹ in Lakhs	
	Year ended 31.03.2016	Year ended 31.03.2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional items	455.14	291.78
Adjustment for :		
Depreciation and amortisation expenses	859.60	696.77
Employee stock option expense	86.05	73.50
Interest Income	(32.76)	(7.40)
Dividend Income	-	(4.99)
Profit on sale of assets	(85.21)	(0.64)
Profit on sale of investments (Net)	(56.08)	-
Loss on sale of assets	19.84	0.42
Interest paid	551.95	653.72
Operating Profit before Working Capital changes	1,798.53	1,703.16
Adjustment for :		
Inventories	(1,293.65)	(1,107.54)
Trade Receivables	19.14	(59.18)
Loans and Advances	(142.22)	(92.94)
Other non-current / current assets	23.89	(175.98)
Trade Payables	2,148.52	605.56
Non Current / Current liabilities and provisions	315.68	523.08
	2,869.89	1,396.16
Direct taxes paid net of provision	(65.00)	(56.38)
Net cash from operating activities (A)	2,804.89	1,339.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(648.19)	(410.28)
Intangible assets under development	(2.10)	3.17
Sale of Investments	185.08	-
New Investments made	(234.98)	-
Exceptional / Extraordinary items	212.82	24.06
Sale of fixed assets	102.44	3.52
Interest Income	32.76	7.4
Dividend Income	-	4.99
Net cash from / (used in) investing activities (B)	(352.17)	(367.14)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital against Options under ESOP Scheme	53.00	-
Repayment of Loans	(1,534.35)	(466.11)
Interest paid	(551.95)	(653.72)
Net cash used in financing activities (C)	(2,033.30)	(1,119.83)
D. NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	419.42	(147.19)
Opening Cash and Cash equivalents as at 01.04.2015	182.78	329.97
Closing Cash and Cash equivalents as at 31.03.2016	602.20	182.78

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 4, 2016

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 :



NOTES :

Prospering together in diverse segments



Healthcare



Warehousing



Restaurants /
Fast Foods



Courier



Logistics



Entertainment



Retail



Textiles



Manufacturing



Banking

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

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