



29th December, 2016

To

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

BSE Scrip Code: 532513

Dear Sir,

Sub: Application under Regulation 37 of SEBI (LODR) Regulations, 2015 for the Scheme of Amalgamation of Prime Property Holdings Limited (“the Transferor Company”) with TVS Electronics Limited (“the Transferee Company”)

Please refer to our letter dated 4th May, 2016, intimating the outcome of Board Meeting held on that date, approving the amalgamation of the Transferor Company with our Company subject to requisite statutory approvals.

Pursuant to Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit, for your approval, the Scheme of Amalgamation of the Transferor Company with the Transferee Company (“the Scheme”) under Section 391 to 394 of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force). The Scheme has been approved by the Board of Directors of the Transferor Company and Transferee Company at their respective Board Meetings held on 29th April, 2016 and 4th May, 2016.


Please note that National Stock Exchange of India Limited is the designated Stock Exchange (DSE) for the purpose of coordinating with SEBI.

The necessary documents as per the checklist provided by BSE is enclosed herewith. We further enclose herewith a Demand Draft bearing no.011661 for a sum of Rs.1,05,000/- dated 22nd December, 2016 drawn on IDBI Bank, T. Nagar, Chennai (net amount after deduction of applicable TDS)

We request you to take the above on record and kindly give your observation letter for the Scheme at the earliest.

Thanking you,

For TVS Electronics Limited


S Nagalakshmi
Company Secretary



TVS Electronics Limited

South Phase 7A, Second Floor, Industrial Estates, Guindy, Chennai-600 032. Tel.: + 91-44-4200 5200 Fax : +91(44)2225 7577
Registered Office: Jayalakshmi Estate, New No.29, (Old No.8), Haddows Road, Chennai- 600 006.
Corporate Identity Number : L30007TN1995PLC032941
E-mail id : webmaster@tvs-e.in Website: www.tvs-e.in



Documents required to be submitted for approval under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, for the Scheme of Amalgamation / Arrangement (including reduction in capital, arrangement with creditors, etc) proposed to be filed under sections 391, 394 and 101 of the Companies Act, 1956 or under Sections 230-234 and Section 66 of Companies Act, 2013, whichever applicable

Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Annexures
1.	Certified true copy of the resolution passed by the Board of Directors of the company.	Annexure-A
2.	Certified copy of the draft Scheme of Amalgamation / Arrangement, etc. proposed to be filed before the High Court.	Annexure-B
3.	Valuation report from Independent Chartered Accountant as applicable as per Para I(A)(4) of Annexure I of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.	Annexure-C
4.	Report from the Audit Committee recommending the draft scheme taking into consideration, inter alia, the valuation report at sr. no. 3 above	Annexure-D
5.	Fairness opinion by Merchant Banker	Annexure-E
6.	Shareholding pattern of all the companies pre and post Amalgamation / Arrangement as per the format provided under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Transferee Company - Annexure F1 Transferor Company – Annexure F2
7.	Audited financials of the Transferee/resulting and Transferor/demerged companies for the last 3 financial years (financials not being more than 6 months old) as per Annexure I. Please note that for existing Listed Company, provide the last Annual Report and the audited / unaudited financials of the latest quarter (were it is due) accompanied mandatorily by the Limited Review Report of the auditor.	Transferee Company - Annexure G1 Transferor Company – Annexure G2
8.	Quarterly compliance Report on Corporate Governance as per Regulation 27 (2)(a) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 as per Annexure II	Annexure H





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Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Annexures
9.	Complaint report as per Annexure III of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 (To be submitted within 7 days of expiry of 21 days from the date of uploading of Draft Scheme and related documents on Exchange's website). Format given in Annexure III	Will be submitted within 7 days of expiry of 21 days from the date of filing of draft Scheme
10.	Compliance report with the requirements specified in Part-A of Annexure I of SEBI circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 as per Annexure IV	Annexure I
11.	If as per the company, approval from the shareholders through postal ballot and e-voting, as required under Para (I)(A)(9)(a) of Annexure I of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, is not applicable then as required under Para (I)(A)(9)(c) of said SEBI circular, submit the following: a) An undertaking certified by the auditor clearly stating the reasons for non applicability of Sub Para 9(a) b) Certified copy of Board of Director's resolution approving the aforesaid auditor certificate.	Auditors certificate: Annexure J Board Resolution 02.11.2016: Annexure K
12.	Name of the Designated Stock Exchange (DSE) for the purpose of coordinating with SEBI. Certified true copy of the resolution passed by the Board of Directors, in case BSE is DSE.	National Stock Exchange of India Limited – Annexure A
13.	Brief details of the Transferee/resulting and Transferor/demerged companies as per format enclosed at Annexure V .	Annexure L
14.	Networth certificate (excluding Revaluation Reserve) together with related workings pre and post scheme for the Transferee and / or resulting company.	Annexure M
15.	Capital evolution details of the Transferee/resulting and Transferor/demerged companies as per format enclosed at Annexure VI .	Transferee Company: Annexure N1 Transferor Company: Annexure N2
16.	Confirmation by the Managing Director / Company Secretary as per format enclosed as Annexure VII .	Annexure O



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TVS Electronics Limited

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Sr. No.	Documents to be submitted along with application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015	Annexures
17.	Statutory Auditor's Certificate confirming the compliance of the accounting treatment etc. as specified in Para (I)(A) (5)(a) of Annexure I of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, as per the format given in Annexure II of aforesaid SEBI circular. Format given in Annexure VIII	Annexure P
18.	Annual Reports of all the listed Transferee/resulting/demerged/etc. companies involved and audited financial of all the unlisted Transferor/demerged/resulting/etc. companies for the last financial year.	Transferee Company: Annexure Q1 Transferee Company: Annexure Q2
19.	Processing fee (non-refundable) payable will be as below, though RTGS - Details given in Annexure IX or though Cheque/DD favoring ' <u>BSE Limited</u> ' Rs.1,00,000/- plus Service Tax as applicable, where one entities/companies are Merged or one new company formed due to De-merger Rs. 2,00,000/- plus Service Tax as applicable, where more than one entity/company is Merged or more than one new company formed due to De-merger.	Annexure R Demand Draft No.011661 dated 22/12/2016 drawn on IDBI Bank, for Rs.1,05,000/- (net off TDS) - Rs.1,00,000 + Rs.15,000 (Service Tax and Cess) - Rs.10,000 (TDS)
20.	Name & Designation of the Contact Person Telephone Nos. (landline & mobile) Email ID.	Ms. S Nagalakshmi Company Secretary Phone: 044-42954800 Mobile: 8754478402 e-mail: s.nagalakshmi@tvs-e.in

For TVS Electronics Limited

S Nagalakshmi
Company SecretaryDate: 29th December, 2016**TVS Electronics Limited**

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Certified true extract of the Resolution passed by the Board of Directors of TVS Electronics Limited at their meeting held on 4th May, 2016 at Chennai

Approval of the Scheme of Amalgamation of its wholly owned subsidiary - Prime Property Holdings Limited with the Company

“RESOLVED THAT

- a. pursuant to the provisions of Section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereto or re-enactment(s) thereof (or such applicable provisions of the Companies Act, 2013) , SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and enabling provisions in the Memorandum and Articles of Association of the Company and subject to the requisite approval of the Hon'ble High Court of Judicature at Madras (or the National Company Law Tribunal as and when applicable), Securities and Exchange Board of India, Stock Exchanges where the Company's shares are listed and other regulatory authorities, and such other corporate approvals, as may be applicable, shareholders, creditors, etc. of the Company, the Scheme of Amalgamation (hereinafter referred to as the "Scheme") of Prime Property Holdings Limited ("Transferor Company"), its wholly owned subsidiary with the Company ("Transferee Company") as per the draft Scheme circulated at the meeting, with effect from 1st April, 2016 ("Appointed Date") be and is hereby approved."
- b. The draft scheme as recommended by the Audit Committee of the Board and placed before the Board, be and is hereby approved;
- c. Prime Property Holdings Limited ("Transferor Company") being the wholly owned subsidiary of the Company, in terms of the Scheme, the Equity shares held by the Company in Prime Property Holdings Limited shall stand cancelled up on the Scheme becoming effective.

RESOLVED FURTHER THAT

- d. National Stock Exchange of India Limited is hereby appointed as the Designated Stock Exchange for the purposes of the Scheme and for coordinating with the Securities and Exchange Board of India ("SEBI");
- e. Non applicability of Clause 4 relating to the requirement of the Valuation Report of SEBI Circular No.CIR/CFD/CMD/16/2015 dated 30th November, 2015 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby noted since there is no change in the shareholding pattern of the Company, pursuant to the Scheme.



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- f. in the opinion of the Board, the said Scheme will be of advantage and beneficial to the Company and its stakeholders and that the terms are fair and reasonable.

RESOLVED FURTHER THAT Mr. Gopal Srinivasan, Chairman, Mr. K E Ranganathan, Managing Director, Mr. Prakash Katama, Chief Executive Officer, Mr. D Sundaram and Mr. R S Raghavan, Directors of the Company and Ms. S Nagalakshmi, Company Secretary (hereinafter referred to as Authorised Persons) be and are hereby authorised severally to monitor the process of all actions connected with the Scheme and to deal with all matters connection, consequential and incidental to procuring sanction for implementation and execution of the Scheme and in particular, take all the necessary steps in order:

- i. to file the Scheme and / or any other information / details with the concerned Stock Exchanges or any other body or regulatory authority or agency in order to obtain approval or sanction of the Scheme or for giving effect thereto;
- ii. to file application(s), with the High court of Judicature at Madras (or The National Company Law Tribunal as and when applicable) if required, or such other appropriate authority seeking directions as to convening or dispensing with the meeting of the shareholders and/or creditors of the Company and where necessary to take steps to convene and hold such meetings as per the directions of the High Court;
- iii. to file petition(s) for sanction of the Scheme by the Hon'ble High Court of Judicature at Madras or such other competent authority;
- iv. to obtain valuation certificates, fairness opinions and such other certificates, undertakings as may be required from Chartered Accountants, practicing Company Secretaries, Advocates, etc.
- v. to prepare, sign and file affidavits, petitions, pleadings, applications, undertakings, statements, memos, etc. or any other proceedings incidental or deemed necessary or useful in connection with the above proceedings and to engage Counsels, Advocates, Solicitors, Chartered Accountants, Company Secretaries, Advisors, and other professionals and to sign and execute vakalatnama wherever necessary, and sign and issue public advertisements and notices;
- vi. to obtain necessary approval(s) from such other authorities and parties including the shareholders, creditors, lenders as may be considered necessary, for the said Scheme;





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- vii. to make any alterations / changes to the Scheme as may be expedient or necessary which does not materially change the substance of the Scheme, particularly for satisfying the requirements or conditions imposed by the Central Government or the Court of competent jurisdiction or SEBI or by the Stock Exchanges or any other authority;
- viii. to settle any question or resolve any difficulty or matter that may arise with regard to the implementation of the above Scheme and to give effect to the above resolution;
- ix. to obtain Order of the Hon'ble High Court or Judicature at Madras or National Company Law Tribunal, as the case may be, approving the Scheme and file the same with the Registrar of Companies, Tamil Nadu, Chennai, so as to make the sanctioned Scheme effective;
- x. communicate and correspond with banks, institutions, investors, government authorities, local authorities and other where required about the Scheme and so all such acts, deeds or things as may be required;
- xi. to do all further acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the Scheme and for matters connected therewith or incidental thereto.\

RESOLVED FURTHER THAT any of the Directors and the Company Secretary of the Company be and are hereby severally authorised to sign a copy of this resolution as a certified copy thereof and furnish the same to whomsoever concerned."

//Certified True Copy//

For TVS Electronics Limited


S Nagalakshmi
Company Secretary



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TVS Electronics Limited

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PRIME PROPERTY HOLDINGS LIMITED

Regd. Office: "Jayalakshmi Estates", # 29, Haddows Road, Chennai - 600 006.
Corporate Office : No.9, Second Floor, Murrays Gate Road, Alwarpet, Chennai - 600 018

CIN : U45200TN2007PLC065330

Ph: +91 044 42928500

Certified true extract of the Resolution passed by the Board of Directors of Prime Property Holdings Limited at their meeting held on 29th April, 2016 at Chennai

Approval of the Scheme of Amalgamation of Prime Property Holdings Limited into TVS Electronics Limited

"RESOLVED

- (a) **THAT** pursuant to the provisions of Section 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) thereto or re-enactment(s) thereof (or such applicable provisions of the Companies Act, 2013) and enabling provisions in the Memorandum and Articles of Association of the Company and subject to the requisite approval of the Hon'ble High Court of Judicature at Madras (or the National Company Law Tribunal as and when applicable) and other regulatory authorities, as may be applicable, shareholders, creditors, etc. of the Company, the draft Scheme of Amalgamation (hereinafter referred to as the "Scheme") between Prime Property Holdings Limited ("Transferor Company") with TVS Electronics Limited (Transferee Company") as per the draft Scheme circulated at the meeting, with effect from 1st April, 2016 ("Appointed Date") be and is hereby approved.
- (b) **THAT** pursuant to the Scheme, the amalgamation of Prime Property Holdings Limited with TVS Electronics Limited with effect from 1st April 2016 (the Appointed Date) be and is hereby approved.
- (c) **THAT** M/s R S Raghavan, R Jagannathan and T A Prasanna Directors and S Nagalakshmi as the Authorised Signatory of the Company be and are hereby severally authorized to
- (i) sign and file Scheme of Amalgamation, applications and petitions with the Honourable High Court of Judicature at Madras or the National Company Law Tribunal, as the case may be, under Sections 391 to 394 of the Companies Act, 1956 or applicable provisions of the Companies Act, 2013;
- (ii) make or assent to any alteration or modification to the Scheme or to any condition or limitation which the Hon'ble High Court of Madras or the National Company Law Tribunal, as the case may be, or any other competent authority may deem fit to approve or impose and may give such directions, as they may consider necessary and to settle any doubt, question or difficulty arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things for putting the Scheme into effect;



PRIME PROPERTY HOLDINGS LIMITED

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- (iii) to sign vakalatnamas, affidavits, applications, petitions, statements, memo etc. as may be necessary or required under or pursuant to the applicable provisions of the Companies Act, 1956 or the Companies Act, 2013 and the Companies (Court) Rules, 1959 for or in connection with obtaining the sanction of the Hon'ble High Court of Madras to the Scheme
- (iv) make applications for sanction or approval under any law of the Central Government, State Government, any other agency, department or authority as may be required
- (v) present the Scheme with or without any modification, give unqualified consent to the Scheme, seek dispensation of the meeting of the equity shareholders of the Company, in terms of the provisions of the Companies Act, 1956 by getting consent affidavits from TVS Electronics Limited and its six nominees if required.
- (vi) do all such acts, deeds, matters and things, as it may, at their discretion, deem necessary or desirable for such purpose and with power of the board to settle any questions, difficulties or doubts that may arise in this regard as it may, in their absolute discretion, deem fit and proper for the purpose of giving effect to the amalgamation of the Company with TVS Electronics Limited.
- (vii) issue notices to the members or any other class of persons, as per directions of the Honourable High Court of Judicature at Madras;
- (viii) communicate and correspond with Banks, Institutions, Investors, Government Authorities Local Authorities and others where required about the Scheme and do all such acts, deeds and things as may be at their discretion deem necessary or desirable for such purpose and with the power of the Company to settle any queries, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit and proper for the purpose of giving effect to the above Resolutions.
- (ix) do all acts, deeds and things as may be considered necessary and expedient in relation thereto and for that purpose to engage legal and other counsel, intermediaries, consultants, advisors, firms of Chartered Accountants, and such other persons as may be required in this regard.
- (x) file a copy of the resolutions duly certified and forward to concerned authorities including Hon'ble High Court of Madras for record.



PRIME PROPERTY HOLDINGS LIMITED

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- (d) **THAT** the proposed amalgamation of the Company with TVS Electronics Limited, the holding company and consequent dissolution of the Company without the process of winding up, be and is hereby approved subject to the approval of the equity shareholders in accordance with the directions of the Hon'ble High Court of Madras and subject to other requisite sanction or approval, if necessary, of any appropriate authority concerned being obtained or granted in the matter in respect of which such sanctions or approvals are required;

For Prime Property Holdings Limited



R S Raghavan
Director



**SCHEME OF AMALGAMATION
BETWEEN
PRIME PROPERTY HOLDINGS LIMITED
(Transferor Company)
AND
TVS ELECTRONICS LIMITED
(Transferee Company)
AND
THEIR RESPECTIVE SHAREHOLDERS**

Under Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) in respect of the Amalgamation of Prime Property Holdings Limited with TVS Electronics Limited.

This Scheme is divided into following Parts

1. **Part A – Dealing with Definitions and Share Capital;**
2. **Part B – Dealing with Amalgamation of Prime Property Holdings Limited with TVS Electronics Limited.;**
3. **Part C – Dealing with General Terms and Conditions applicable to the entire Scheme.**

CERTIFIED TRUE COPY

For TVS Electronics Limited


S. Nagalakshmi
Company Secretary



PART A

DEFINITIONS & SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following shall have the meanings as provided herein:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 and the Companies Act, 2013 and rules made there under (as modified from time to time) and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force;
- 1.2 **“Appointed Date”** means the date from which this Scheme shall become operative viz., the commencement of business on 1st April, 2016.
- 1.3 **“Board” or “Board of Directors”** means the Board of Directors of the Transferor Company and the Transferee Company and includes any Committee thereof;
- 1.4 **“Book Value(s)”** means the value(s) of the assets and liabilities as appearing in the respective Balance Sheets of the Transferor Company, and the Transferee Company on a same date;
- 1.5 **“Court” or “High Court”** means the Hon’ble High Court of Judicature at Madras, and shall include the National Company Law Tribunal, as and when applicable;
- 1.6 **“Effective Date”** means the last of the following dates, namely (a) date on which certified copies of the orders of the Court under Sections 391 and 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) sanctioning the Scheme are filed with the Registrar of Companies and (b) date on which the last of all such consents, approvals,



permissions, resolutions, agreements, sanctions and orders necessary thereto have been obtained or passed;

- 1.7 **“Government” or “Semi Government” or “Local Authority”** means any applicable Central, State or Local Government, Legislative Body, Regulatory or Administrative Authority, Agency or Commission or any Court, Tribunal, Board, Bureau, Judicial or Arbitral body having jurisdiction over the Territory of India;
- 1.8 **“Transferor Company”** means Prime Property Holdings Limited (Corporate Identity Number U45200TN2007PLC065330), a Company incorporated under the provisions of the Companies Act, 1956 on 9th November, 2007 and having its Registered Office at Jayalakshmi Estates, 29 Haddows Road, Chennai - 600006;
- 1.9 **“Transferee Company”** means TVS Electronics Limited, (Corporate Identity Number L30007TN1995PLC032941), a Company incorporated under the Indian Companies Act, 1956 on 15th September, 1995 and having its Registered Office at Jayalakshmi Estates, 29, Haddows Road, Chennai - 600006;
- 1.10 **“Scheme of Amalgamation” or “Scheme” or “The Scheme” or “This Scheme”** means this Scheme of Amalgamation in its present form or with any modification(s) and amendment(s) as may be made from time to time, with appropriate approvals and sanctions of the Courts and other relevant regulatory/statutory/governmental authorities, as may be required under the Act, and/or under any other applicable laws;
- 1.11 **“Undertaking”** means all respective businesses of, the Transferor Company on a going concern basis and shall also include all the Assets, Liabilities and employees of the Transferor Company.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning as ascribed to them under the Act and other applicable laws, rules, regulations and byelaws as the case may be, including any statutory modification or re-enactment thereof from time to time.



2. DATE OF TAKING EFFECT

- 2.1 The Scheme set out herein in its present form or with any modification(s) or amendment(s) approved, imposed or directed by the Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

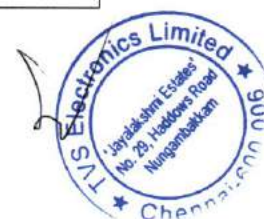
- 3.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of Transferor Company as on 31st March, 2016 is as under:

Particulars	Amount in Rs.
Authorised Share Capital:	
50,000 Equity Shares of Rs.10/- each	5,00,000
Total	5,00,000
Issued, Subscribed and Paid Up:	
50,000 Equity Shares of Rs.10/- each	5,00,000
Total	5,00,000

There is no change in the capital structure of the Transferor Company since March 31, 2016 till date.

- 3.2 The Authorised, issued, subscribed and paid-up share capital of the Transferee Company as on 31st March, 2016 is as under:

Particulars	Amount in Rs.
Authorised Share Capital	
2,50,00,000 Equity Shares of Rs. 10/- each	25,00,00,000
Total	25,00,00,000
Issued, subscribed and paid-up Share Capital	
1,85,52,818 Equity Shares of Rs.10/- each	18,55,28,180
Total	18,55,28,180



The issued, subscribed and paid up share capital of the Transferee Company has since increased to Rs. 18,61,28,180/- consisting of 1,86,12,818 equity shares of Rs. 10/- each upon an issue and allotment of 60,000 Equity Shares of Rs. 10/- each on 18th May, 2016

- 3.3 The Scheme has been drawn up to comply with the conditions relating to “Amalgamation” as specified under Section 2 (1B) of the Income Tax Act, 1961 or any statutory modification or re-enactment thereof. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section, at a later date, including resulting from an amendment of law or for any other reason whatsoever upto the Effective Date, the provisions of the said Section of the Income Tax Act, 1961 or re-enactment thereof shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2 (1B) of the Income Tax Act, 1961 or re-enactment thereof. Such modification will, however, not affect the other parts of the Scheme.

PART B

AMALGAMATION OF TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

4. TRANSFER OF ASSETS:

- 4.1 Upon the coming into effect of the Scheme, that is with effect from the Appointed Date, the entire businesses and all the movable and immovable properties, Sundry Debtors, Loans and Advances, Cash and Bank Balances and Deposits with Government, Semi Government or Local Authorities, real or personal, corporeal or incorporeal, including fixed assets, capital asset, capital work-in-progress, current assets, investments of all kinds, carry interest or other benefits in any of the Investments, lease and hire purchase contracts, lending contracts, benefits of any security arrangements, rights, title, interest, quotas, benefits and advantages of



whatsoever nature and wheresoever situated, belonging to or in the ownership, power or possession and /or in the control of or vested in or granted in favour of or enjoyed by the Transferor Company including all Patents, Trademarks, Copyrights, Trade names and other Intellectual Property Rights of any nature whatsoever and licenses in respect thereof, privileges, liberties easements, advantages, exemptions, benefits, leases including mining leases, pending applications for mining leases and prospecting licenses, leasehold rights, tenancy rights, ownership flats, quota rights, permits, approvals, authorizations, right to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, power lines, communication lines and other services, reserves, deposits, provisions, funds, benefit of all agreements, subsidies, grants, incentives including sales tax incentives, tax credits, sales-tax, turnover tax, excise, and all other interests arising of the Transferor Company and any accretions or additions thereto after the Appointed Date (hereinafter collectively referred to as "the said assets") shall be transferred to and vested in and / or deemed to be transferred to and vested in the Transferee Company, without any further act or deed or instrument, pursuant to the provisions of Sections 391-394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) and other applicable provisions of the said Act, so as to become as and from the Appointed Date, the estate, assets, rights, title and interests of the Transferee Company.

- 4.2 Any floating charges, if created by the Transferor Company in favour of their bankers on any of the movable assets, documents of title to goods, receivables, claims and other current assets that are acquired by the Transferor Company from the Appointed Date till the Effective Date, shall be deemed to be the security and shall be available as security for the loans, cash credit and other working capital facilities, both fund based and non-fund based, which were sanctioned by the bankers of the Transferor Company, either utilised fully or partly or unutilised by the Transferor Company subject to the limits sanctioned by their respective bankers so transferred and vested in the Transferee Company pursuant to the Scheme.
- 4.3 The Scheme, as aforesaid, shall be, subject to existing charges / hypothecation / mortgage (if any as may be subsisting) over or in respect of the said assets or any



part thereof in favour of Banks and Financial Institutions. Provided, however, that any reference in any security documents or arrangements to which the Transferor Company are a party, to such assets of the Transferor Company offered or agreed to be offered as security for any financial assistance both availed and to be availed up to any limit for which sanctions have already been obtained by the Transferor Company shall be construed as references only to the assets pertaining to the Transferor Company as are vested in the Transferee Company by virtue of the Sub-Clause 4.1 hereof, to the end and intent that such security, mortgage and or charge shall not extend or be deemed to extend, to any of the assets or to any of the other units or divisions of the Transferee Company, unless specially agreed to by the Transferee Company with such secured creditors and subject to the consents and approvals of the existing secured creditors of the Transferee Company.

- 4.4 It is expressly provided that in respect of such of the said assets as are movable in nature or are otherwise capable of transfer by manual or constructive delivery and / or by endorsement and delivery, the same shall be so transferred by the respective Transferor Company and shall become the property of the Transferee Company in pursuance of the provisions of Sections 391 - 394 of the Companies Act, 1956, (or such applicable provisions of the Companies Act, 2013, as the case may be) such transfer being deemed to have taken place at the location of the Registered Office of the Transferee Company, i.e., in the State of Tamil Nadu.
- 4.5 In respect of the assets other than those referred to above shall without any further act, instrument, deed or matter or thing be transferred to and vested in and / or deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be). The vesting of all such assets shall be by virtue of the provisions of this Scheme and Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) be deemed to have taken place at the location of the Registered Office of the Transferee Company i.e., in the State of Tamil Nadu.



- 4.6 All benefits including any direct and indirect taxes, etc., to which the Transferor Company are entitled to in terms of the various Statutes and/or Schemes of the Union and State Governments or local authorities shall be available to and vest in the Transferee Company without any further act or deed.
- 4.7 Any refund under the Tax Laws received by / due to Transferor Company consequent to the assessments made on Transferor Company subsequent to the Appointed Date and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date, shall also belong to and be received by Transferee Company.
- 4.8 The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute deeds of confirmation in favour of the secured creditors, if any, of the respective Transferor Company or in favour of any other party to any contract or arrangement to which the Transferor Company are a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall under the provisions of the Scheme be deemed to be authorized to execute any such writings on behalf of the Transferor Company to implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company to be carried out or performed.
- 4.9 Upon the coming into effect of the Scheme, the Transferee Company may, if it considers necessary or expedient, revise (with retroactive effect, if applicable), its Income-Tax returns, TDS returns, Service Tax returns, Sale-Tax returns and other tax returns and claim refunds and/or credits etc. pertaining to business activities of the Undertakings of the Transferor Company, pursuant to the provisions of the Scheme.



5. TRANSFER OF DEBTS AND LIABILITIES:

- 5.1 With effect from the Appointed Date, all debts, liabilities, loans, borrowings, bills payable, deposits, security deposits, interest accrued, duties and obligations of the respective Transferor Company including contingent liabilities not provided in their books and any accretions and additions or reductions thereto after the Appointed Date shall also stand transferred or be deemed to be transferred without any further act or instrument or deed to the Transferee Company so as to become as and from that date, the debts, liabilities, loans, borrowings, bills payable, deposits, security deposits, interest accrued, duties and obligations of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause, PROVIDED ALWAYS that nothing in this Clause shall or is intended to enlarge the security for any loan, deposit or other indebtedness created by the Transferor Company prior to the Appointed Date which shall be transferred to and vested in the Transferee Company by virtue of the amalgamation and the Transferee Company shall not be required or obliged in any manner to create any further or additional security therefore after the Appointed Date or otherwise.
- 5.2 All the loans, advances and other facilities sanctioned to the Transferor Company by their bankers or any other creditors prior to the Appointed Date, which are partly drawn / utilised shall be deemed to be the loans and advances sanctioned to the Transferee Company and the said loans and advances shall be drawn / utilised either partly or fully by the respective Transferor Company from the Appointed Date till the Effective Date and all the advances / loans and or other facilities so drawn by the respective Transferor Company (within the overall limits sanctioned by their bankers) shall on the Effective Date be treated as advances and loans made available to the Transferee Company under any loan agreement and shall become the obligation of the Transferee Company without any further act, or deed on the part of the Transferee Company.



- 5.3 Upon the coming into effect of this Scheme, the limits of the Transferee Company for borrowing, lending, providing loans and advances, investments or providing guarantees or giving donations, shall without further act or deed stand enhanced by an amount equivalent to the combined authorised limits of the Transferor Company, such limits being incremental to the existing limits of the Transferee Company.
- 5.4 The resolutions, if any, of the Board of Directors, or Committees thereof, Shareholders, Debenture Holders of the Transferor Company which are valid and subsisting on the Effective Date shall be continued to be valid and subsisting and be considered as resolutions of the Transferee Company and if any such resolutions have upper monetary or other limits being imposed under the provisions of the Act, or any other applicable legislations then said limits shall be added and shall constitute the aggregate of the said limits of the Transferee Company.
- 5.5 Upon this Scheme coming into effect, any loan or liabilities other obligations due and all the interparty transactions or commitments between or amongst the Transferor Company and the Transferee Company shall stand discharged and shall stand cancelled and there shall be no liability in that behalf.

6. LEGAL PROCEEDINGS

- 6.1 All legal proceedings of whatsoever nature by or against the Transferor Company pending and/or arising at the Appointed Date and relating to the Transferor Company or its properties, assets, debts, liabilities, duties and obligations referred to above, shall be continued and/or enforced until the Effective Date as desired by the Transferee Company and as and from the Effective Date shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company. On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in its name in relation to the Transferor Company in the same manner and to the same extent as would, or might, have been initiated by the Transferor Company.



7. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 7.1. Subject to the other provisions contained in the Scheme, all contracts, deeds, bonds, agreements, insurance policies, incentives, licenses, approvals to do any business, engagements, registrations, exemptions, entitlements, arrangements and other instruments of whatsoever nature to which the Transferor Company is a party or the benefit to which the Transferor Company /may be eligible, subsisting or having effect immediately before this arrangement under this Scheme, shall be, in full force and effect, against or in favour of the Transferee Company as the case may be, and may be enforced as fully and as effectively as if instead of the Transferor Company, the Transferee Company had been a party thereto without the requirement of obtaining or seeking consent or approval of any third party or Government, Semi Government or Local Authorities or any Department of the Government or Authorities. The Transferee Company shall enter into and / or issue and / or execute deeds, writings or confirmation or enter into any tripartite arrangement, confirmations or novations to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this clause, if so required or become necessary.
- 7.2. As a consequence of the Amalgamation of the Transferor Company with the Transferee Company in accordance with this Scheme, the recording of change in name from Transferor Company to the Transferee Company, whether for the purposes of any licence, permit, approval or any other reason, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority without the requirement of payment of any transfer or registration fee or any other charge or imposition whatsoever.
- 7.3. The Transferee Company may, at any time, after the coming into the effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, execute Deeds of Confirmation in favour of any party to any contract or



arrangement to which the Transferor Company is a party or any writings, as may be necessary, to be executed in order to give formal effect to the above provisions. The Transferee Company shall, under the provisions of the Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company, implement or carry out all such formalities or compliances referred to above on the part of the Transferor Company, as the case may be, to be carried out or performed.

- 7.4. For the removal of doubts, it is expressly made clear that the dissolution of the Transferor Company without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any instrument or beneficial interest to which the Transferor Company is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Company shall be construed as reference only to the Transferee Company with effect from the Appointed Date.

8. EMPLOYEES

- 8.1. Upon the Scheme becoming effective, all the employees in the service of the Transferor Company immediately before the Effective Date shall become the employees of the Transferee Company, on the basis that:
- a) Their services shall have been continuous and shall not have been interrupted by reason of such transfer.
 - b) The terms and conditions of employment applicable to the said employees after such transfer shall not in any way be less favourable to them, than those applicable to them immediately before the transfer;
 - c) In the event of retrenchment of such employees, the Transferee Company shall be liable to pay compensation in accordance with law on the basis that the services of



the employees shall have been continuous and shall not have been interrupted by reason of such transfer; and

- d) In so far as the existing provident fund trusts, gratuity fund and pension and / or superannuation fund trusts created by the Transferor Company for its employees are concerned, the part of the funds referable to the employees who are being transferred shall be continued for the benefit of the employees who are being transferred to the Transferee Company pursuant to the Scheme in the manner provided hereinafter. In the event that the Transferee Company has its own funds in respect of any of the funds referred to above, the amounts in such funds in respect of contributions pertaining to the employees of the Transferor Company shall, subject to approvals and permissions, if required, be transferred to the relevant funds of the Transferee Company. In the event that the Transferee Company does not have its own fund, in respect of any of the aforesaid matters, the Transferee Company may, subject to approvals and permissions, if required, continue to contribute to the relevant funds of the Transferor Company until such time that the Transferee Company creates its own fund, at which time the contributions pertaining to the employees of the Transferor Company shall be transferred to the funds created by the Transferee Company. Provided however that, the Transferee Company shall be at liberty to form or restructure its provident fund trusts, gratuity fund and pension and/or superannuation fund trusts in such manner as may be decided by its Board of Directors, subject to compliance of relevant labour laws and any other allied laws for the purpose.

9. SAVING OF CONCLUDED TRANSACTIONS

- 9.1. The transfer of Assets under Clause 4 above, the continuance of proceedings by or against the Transferee Company under Clause 6 above and the effectiveness of contracts and deeds under Clauses 7 above shall not affect any transaction or proceedings or contracts or deeds already concluded by the Transferor Company on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds



and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

10. CANCELLATION OF SHARES

10.1. Since the Transferor Company is the wholly owned subsidiary of the Transferee Company, upon the Scheme being sanctioned by the Hon'ble Court and the transfer having been effected as provided hereinabove, all the equity shares held by the Transferee Company and its Nominees in the Transferor Company shall be cancelled and extinguished as on the Appointed Date. Accordingly, there will be no issue and allotment of equity shares of the Transferee Company to the Shareholders of the Transferor Company upon this Scheme becoming effective.

11. CONDUCT OF BUSINESS OF THE TRANSFEROR COMPANY TILL EFFECTIVE DATE

11.1. With effect from the Appointed Date and up to and including the Effective Date:

- a. The Transferor Company shall carry on, and be deemed to have been carrying on, all business activities and shall be deemed to have been held for and on account of, and in trust for, the Transferee Company.
- b. All profits or income or taxes, including but not limited to income tax, fringe benefit tax, advance taxes, minimum alternate tax, tax deducted at source by or on behalf of the Transferor Company, wealth tax, sales tax, value added tax, excise duty, service tax, customs duty, etc, accruing or arising to the Transferor Company, or losses arising or expenditure incurred by them, on and from Appointed Date upto the Effective Date, shall for all purposes be treated as, and be deemed to be treated as, the profits or income or losses or expenditure or the said taxes of the Transferee Company.



- c. The Transferor Company shall carry on its business activities with proper prudence and diligence and shall not, without prior written consent of the Transferee Company, alienate, charge or otherwise deal with or dispose off any of the business undertaking or any part thereof (except in the ordinary course of business or pursuant to any pre-existing obligations undertaken by the Transferor Company prior to the Appointed Date).
- d. The Transferee Company shall also be entitled, pending sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Transferee Company may require in relation to the Undertaking of the Transferor Company including the registration, approvals, exemptions, reliefs, etc., as may be required / granted under any law for time being in force for carrying on business by the Transferee Company.
- e. The Transferor Company shall not declare any dividend, between the Appointed Date and the Effective Date, without the prior written consent of the Transferee Company.
- f. The Transferor Company shall not make any modification to its capital structure, either by an increase (by issue of rights shares, bonus shares, convertible debentures or otherwise), decrease, reclassification, sub-division or re-organisation or in any other manner, whatsoever, except by mutual consent of the Boards of Directors of the Transferor Company and of the Transferee Company.
- g. The Transferor Company shall not vary, except in the ordinary course of business, the terms and conditions of the employment of their employees without the consent of the Board of Directors of the Transferee Company.



12. ACCOUNTING TREATMENT

- 12.1. The Transferee Company shall account for the Amalgamation of the Transferor Company as per the method prescribed under Accounting Standard 14 prescribed by the Institute of Chartered Accountants of India for Amalgamations and any amendments thereto.
- 12.2. With effect from the Appointed Date and subject to the provisions hereof and such other corrections and adjustments as may, in the opinion of the Board of Directors of the Transferee Company be required, all the assets and liabilities of the Transferor Company transferred to the Transferee Company pursuant to this Scheme shall be recorded in the books of the Transferee Company at Book Values as appearing in the books of accounts of the Transferor Company.
- 12.3. With effect from the Appointed Date and upon the Scheme becoming effective, subject to any corrections and adjustments as may in the opinion of the board of directors of the Transferee Company be required, the reserves of the Transferor Company shall be merged with those of the Transferee Company in the same form as they appeared in the financial statements of the Transferor Company.
- 12.4. The difference arising out of the transfer of assets and liabilities of the Transferor Company to the Transferee Company over the face value of equity shares issued by the Transferee Company and adjusting the appreciation and/or diminution, if and to the extent considered appropriate by the Board of Directors of the Transferee Company, in the value of certain of its assets, whether fixed or current, as on the date determined by the Board of the Transferee Company in the books of account of the Transferee Company shall, in case of surplus, or deficit, an amount, as may be considered appropriate by the Board, be adjusted to the general reserve in the financial statements of the Transferee Company.
- 12.5. In case of any differences in accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the general reserves of the Transferee Company to



ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

- 12.6. Upon the Scheme coming into effect, to the extent that there are inter-company investments, if any, loans, bonds, debentures, advances, deposit balances or other obligations as between the Transferor Company and the Transferee Company, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of accounts and records of Transferee Company for the cancellation of any such assets or liabilities, as the case may be. The difference, if any, arising by such effects in the books of accounts, shall be adjusted to the Capital Reserve of the Transferee Company. For the removal of doubts, it is hereby clarified that there would be no accrual of interest or other charges in respect of any such inter-company investments, loans, debt securities or balances with effect from the Appointed Date.

13. DISSOLUTION OF TRANSFEROR COMPANY

- 13.1. Subject to an order being made by the Court under Section 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) the Transferor Company shall be dissolved without the process of winding up on the Scheme becoming effective in accordance with the provisions of the Act and the Rules made there under.

PART C

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE ENTIRE SCHEME

14. APPLICATION TO THE HIGH COURT OF JUDICATURE AT MADRAS

- 14.1. The Transferor Company and the Transferee Company shall, with reasonable dispatch, apply to the High Court for necessary orders or directions for holding or dispensing with the meetings of the members (and creditors, if necessary) of the Transferor Company and the Transferee Company respectively and for sanctioning



this Scheme under Sec.391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) and orders under Sec.394 of the Company Act, 1956 (or such applicable provisions of the Companies Act, 2013, as the case may be) for carrying this Scheme into effect, for dissolution of the Transferor Company without winding up, for the transfer of the undertaking of the Transferor Company to the Transferee Company.

15. MODIFICATIONS/AMENDMENTS TO THE SCHEME

15.1. The Transferor Company and the Transferee Company through their respective Board of Directors or other persons, duly authorised by the respective Boards in this regard, may make or assent to any alteration or modification to this Scheme or to any conditions or limitations, which the High Court or any other Competent Authority may deem fit to direct, approve or impose and may give such directions, as they may consider necessary, to settle any doubt, question or difficulty, arising under the Scheme or in regard to its implementation or in any manner connected therewith and to do all such acts, deeds, matters and things necessary for putting this Scheme into effect.

15.2. After dissolution of the Transferor Company, the Transferee Company by its Board of Directors or other persons, duly authorised by its Board in this regard, shall be authorised, to take such steps, as may be necessary, desirable or proper to resolve any doubts, difficulties or questions, whether by reasons of any order of the High Court or of any directive or order of any other authorities or otherwise, however, arising out of, under by virtue of this Scheme in relation to the Amalgamation and / or matters concerning or connected therewith.

16. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

This Scheme is conditional on and subject to -

16.1. The sanction or approval under any law of the Central Government, State Government, or any other agency, department or authorities concerned being



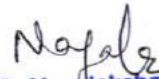
obtained and granted in respect of any of the matters in respect of which such sanction or approval is required.

- 16.2. The Scheme being agreed to by the requisite majorities of the members of the Transferor Company if a meeting of the members of the Transferor Company is convened by the Court or if dispensation from conducting the meeting of the members of the Transferor Company is obtained from the Court, and the sanction of the Court being accorded to the Scheme.
- 16.3. The sanction by the Court under Sections 391 and 394 of the Companies Act, 1956 and other applicable provisions of the Act being obtained by the Transferor Company and also the Transferee Company, if a separate petition for sanction of the Scheme is directed by the Court to be filed by the Transferee Company.
- 16.4. The filing with the Registrar of Companies, Chennai of certified copies of order sanctioning the Scheme by the Transferor Company and Transferee Company.

17. **EXPENSES CONNECTED WITH THE SCHEME**

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with negotiations leading up to the Scheme and of carrying out and completing the terms and provisions of this Scheme and in relation to or in connection with the Scheme and incidental to the completion of the Amalgamation of the Transferor Company with the Transferee Company in pursuance of this Scheme shall be borne and paid by the Transferee Company.

For TVS Electronics Limited


S. Nagalakshmi
Company Secretary



The Board of Directors
TVS Electronics Limited
Jayalakshmi Estates,
29, Haddows Road,
Chennai – 600 006

CERTIFICATE

1. We have examined the proposed “Scheme of Amalgamation (Merger)” between Prime Property Holdings Limited (‘PPHL’ or the ‘Transferor Company’), a wholly owned subsidiary company and TVS Electronics Limited (‘TVSE’ or the ‘Transferee Company’), the holding company and their respective shareholders under Section 391 to 394 and other applicable provisions of the Companies Act, 1956 (Section 230 to 240 and the applicable provisions of the Companies Act, 2013) (the ‘Proposed Scheme’) for merger of PPHL with TVSE, for the purpose of certifying the non-applicability of Para 4(a) of Annexure 1 of Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 issued by the Securities and Exchange Board of India (SEBI Circular).
2. The Management of the Company is responsible for the maintenance of proper books of accounts and other relevant records prescribed under the applicable laws. This includes collecting, collating and validating data, designing, implementing and monitoring of internal controls relevant for the preparation of the Proposed Scheme and for ensuring compliance with the applicable laws.
3. Our responsibility for the purpose of this certificate, is limited to certifying whether a valuation report is required to be obtained by the Company in terms of the above stated provisions of the SEBI Circular on the basis of the Proposed Scheme, audited books of account and other relevant records and documents maintained by the Company, and did not include the evaluation of the adherence by the Company with all the applicable guidelines. We conducted our verification in accordance with the Guidance Note on Certificate for Special Purpose and Standard on Auditing issued by the Institute of Chartered Accountants of India.





4. On the basis of our verification of the Proposed Scheme, audited books of account and other relevant records and documents as referred to in Paragraph 3 above and according to the information and explanation provided to us by the Management of the Company, we certify that the condition of obtaining a valuation report mentioned in Para 4(a) of Annexure 1 of Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 issued by the Securities and Exchange Board of India is not applicable to the Proposed Scheme as:
- The entire shares of PPHL held by TVSE shall stand cancelled;
 - There will not be any issuance of shares or payment of other consideration by TVSE to PPHL; and
 - There will not be any change in the shareholding pattern of TVSE
5. This certificate is issued at the request of Management of the Company for submission to the BSE Limited and National Stock Exchange of India Limited and the Securities and Exchange Board of India and other connected matters and should not be used for any other purpose without our prior written consent.

For Raghu & Gopal
Chartered Accountants
Firm Registration No. 0033355

Date: 11th October, 2016
Place: Chennai



A Gopal
Partner
M No. F 9035



REPORT OF THE AUDIT COMMITTEE OF TVS ELECTRONICS LIMITED

Present:

1. Mr. Praveen Chakravarty - Chairman
2. Mr. D Sundaram - Member
3. Mr. M Lakshminarayan - Member
4. Mr. M F Farooqui - Member
5. Dr. Nagendra Palle - Member
6. Mr. R Ramaraj - Member

1. Background

TVS Electronics Limited (**Transferee**) is a public limited company incorporated under the Companies Act, 1956 with its registered office at Jayalakshmi Estates, 26, Haddows Road, Chennai – 600 006. The Company is engaged in Trading and Manufacturing of Computer peripherals and provision of Warranty Management Services and distribution services. The Company is listed on BSE Limited and National Stock Exchange of India Limited.

Prime Property Holdings Limited (**Transferor**) is a public limited company incorporated under the Companies Act, 1956 with its registered office at Jayalakshmi Estates, 26, Haddows Road, Chennai – 600 006. The Company is a primarily property development Company. However, presently the Company does not have property development proposals and the balance sheet predominantly consists of investments. This is a Wholly owned subsidiary of the Transferee Company.

2. Scheme

The Board of Directors of the Transferor and Transferee Companies respectively approved the Scheme of Amalgamation (Scheme) at their meetings held on 29th April 2016 and 4th May 2016 for Amalgamation of Transferor Company with the Transferee Company.



TVS Electronics Limited

South Phase 7A, Second Floor, Industrial Estates, Guindy, Chennai-600 032. Tel.: + 91-44-4200 5200 Fax : +91(44)2225 7577

Registered Office: Jayalakshmi Estate, New No.29, (Old No.8), Haddows Road, Chennai- 600 006.

Corporate Identity Number : L30007TN1995PLC032941

E-mail id : webmaster@tvs-e.in Website: www.tvs-e.in



In terms of SEBI Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015 (**SEBI Circular**), the Audit Committee of the listed entity, i.e., the Transferee Company, is required to recommend the Scheme taking into consideration, inter-alia the Valuation Report. The need for valuation report does not arise when there is no change in the shareholding pattern of the listed entity.

3. SEBI Circular requirements

- 3.1 The Amalgamation of the Transferor Company with the Transferee Company does not involve any exchange of shares, as the Transferor Company is a wholly owned subsidiary of the Transferee Company. Accordingly, there is no requirement for a valuation report. This has also been clarified in the SEBI Circular.
- 3.2 However, a Fairness Opinion from a Merchant Banker on the valuation of assets / shares for the Transferor and the Transferee is required to be submitted to the Stock Exchanges.
- 3.3 National Stock Exchange of India has been chosen as the designated Stock Exchange for the purpose of co-ordinating with SEBI.

4. Documents considered

- a. Scheme of Amalgamation
- b. Last three years Audited financials of the unlisted Transferor Company
- c. Certificate by Independent Chartered Accountant for non-applicability of the Valuation Report in terms of the SEBI Circular
- d. Fairness Opinion by the Merchant Banker



TVS Electronics Limited



- e. The following Certificates from the Statutory Auditors:
- confirming that the Scheme is in compliance with the applicable accounting treatment notified under Companies Act, 2013 and other generally accepted principles.
 - confirming non applicability of the requirement to provide for voting by public shareholders through postal ballot and e-voting.
 - Pre and Post Amalgamation Net worth of the Company
- f. Confirmation by Company Secretary that the Scheme does not violate any Security law.

5. Share Capital

The Transferee Company owns 100% of the paid up share capital of the Transferor Company and as a result of the Amalgamation, the shares of the Transferor Company held by the Transferee Company and its nominees will stand cancelled with no issuance of shares or payment of other consideration to the Transferor Company. There will be no change in the shareholding pattern of the Transferee Company and no Valuation Report from an Independent Chartered Accountant is required in terms of the SEBI Circular.

6. Proposed Scheme of Amalgamation

The Committee noted that the salient features of the Scheme are as under:

- The Scheme provides for amalgamation of Transferor Company with the Transferee Company.



TVS Electronics Limited



- b. "Appointed Date" means 1st April 2016 or any other date as may be modified by the Court.
- c. "Nil Consideration" (Transferor will be merged into Transferee and all assets and liabilities will get transferred to Transferee. No new shares shall be issued or payment made in cash whatsoever by the Company in lieu of the cancellation of such shares by Transferor).
- d. Upon Scheme becoming effective, Transferor shall stand dissolved without any further act or deed.

7. Recommendation of the Audit Committee:

The Audit Committee after due deliberations and due consideration of all the terms of the draft Scheme and the specific points mentioned above, recommends the Scheme for favourable consideration by the Board of Directors of TVSE, the Stock Exchanges and the Securities and Exchange Board of India.

Date: 1st November 2016
Place: Chennai

Praveen Chakravarty
Chairman
Audit Committee



TVS Electronics Limited

ANNEXURE F

October 17, 2016

To,
The Board of Directors,
TVS Electronics Limited
"Jayalakshmi Estates",
29, Haddows Road,
Chennai - 600 006

Subject: Fairness Opinion on the proposed amalgamation of Prime Property Holdings Limited being wholly owned subsidiary with its holding company TVS Electronics Limited

Dear Sirs,

We, Vivro Financial Services Private Limited ('Vivro', 'we', 'us', 'our'), refer to our engagement letter dated October 12, 2016 whereby TVS Electronics Limited (hereinafter referred to as 'TVSEL' the Company, 'You', 'Your') has appointed us as an Independent Merchant Banker for furnishing a "Fairness Opinion" in terms of CIR/CFD/CMD/16/2015 under regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 towards the proposed Scheme of Amalgamation of Prime Property Holdings Limited (the "Transferor Company", "PPHL") with TVS Electronics Limited (the "Transferee Company", "TVSEL") pursuant to section 391-394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 2013.

1. SOURCE OF INFORMATION

We have relied on the following information made available to us by the management of both the Companies for purpose of this opinion:

1. Memorandum and Articles of Association of TVSEL and PPHL;
2. Audited Financial Statements of TVSEL and PPHL for the Financial Year ended on March 31, 2016, March 31, 2015 and March 31, 2014;
3. Certificate from Raghu & Gopal, Chartered Accountants;
4. Draft Scheme of Arrangement in nature of Amalgamation between TVSEL and PPHL;
5. Present shareholding Pattern of both the Companies;
6. Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.



2. DISCLAIMER

This Fairness Opinion Report is prepared by Vivro Financial Services Private Limited under an engagement from TVSEL on the basis of information, documents, papers, and explanations given by the management, officers and staff of TVSEL and PPHL to Vivro.

In preparing the Fairness Opinion Report, Vivro has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and financial data provided by the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Vivro has also considered the proposed Scheme of amalgamation as furnished. It is assumed that the proposed Scheme will be consummated in accordance with the expected terms.

Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly on account of the use of or reliance on the information set out herein in this report.

Vivro has not provided any accounting, tax or legal advice to any Company involved in the transaction. Fairness Opinion Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the transaction.

This Opinion is furnished on a strictly confidential basis. Neither this Opinion nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above or as may be required under applicable laws and regulation.

The fee for our services is not contingent upon the results of the proposed amalgamation. This opinion is subject to Laws of India.

This Report is necessarily based on various factors and conditions as of the date hereof, and the written and oral information made available to us until October 17, 2016. It is understood that subsequent developments may affect the conclusions of the Report and of the Opinion and that, in addition, Vivro has no obligation to update, revise, or reaffirm the Opinion.

3. LIMITATIONS

Our report is subject to the scope limitations detailed hereinafter. The report should be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

In course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financial statements and the information and representations furnished to us without carrying out any audit or other tests to verify

Vivro Financial Services Private Limited



the accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant facts and material factors. Accordingly, we do not express any opinion in any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.

Our work does not constitute an audit or certification or due diligence of the past financials of TVSEL and PPHL used in the study and we have relied upon the information provided to us by the management of both the Companies as regards such working results.

We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We accept no responsibility as to the prices at which the equity shares of TVSEL will trade following the announcement of the proposed Scheme or as to the financial performance of TVSEL following the consummation of the proposed Scheme.

Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.

No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of the fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for the purpose of this report.

Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of considering the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date of the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

4. BACKGROUND OF COMPANIES

TVS ELECTRONICS LIMITED-TRANSFEREE COMPANY

TVS Electronics Limited is a public limited company incorporated on September 15, 1995 under the Companies Act, 1956 having its registered office situated at "Jayalakshmi Estates", 29, Haddows Road, Chennai - 600 006.

Vivro Financial Services Private Limited



TVS Electronics, headquartered in Chennai, was founded as an IT Peripherals manufacturer. TVSEL is a leading Transaction Automation IT Product manufacturer & service provider. The Company serves extensive product lines across various brands via various delivery models like exclusive service centers, multi brand service centers, Onsite support, repair centers and factories.

The Equity Shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

Financial Performance of the Company:

□in Lacs

Particulars	2015-16 (A)	2014-15(A)	2013-14(A)
Total Revenue	59,503.04	27,103.10	24,961.77
Profit Before Tax	543.53	316.62	66.28
Profit After Tax	431.18	229.10	40.02
Shareholders' Funds	4,340.87	3,770.64	3,550.81

Board of Directors of TVSEL:

Sr. No.	Names of Directors	Designation
1.	Mr. Gopal Srinivasan	Non-Executive Chairman
2.	Mrs. Srilalitha Gopal	Non-Executive Director
3.	Mr. D Sundaram	Non-Executive Director
4.	Mr. R Ramaraj	Independent Director
5.	Mr. Praveen Chakravarty	Independent Director
6.	Mr. Kenneth Tai	Independent Director
7.	Dr. Nagendra Palle	Independent Director
8.	Mr. M Lakshminarayan	Independent Director
9.	Mr. M F Farooqui	Independent Director
10.	Mr. Narayan K Seshadri	Non-Executive Director
11.	Mr. R S Raghavan	Non-Executive Director

Shareholding Pattern of TVSEL as on September 30, 2016:

Sr. No.	Particulars	No. of Shares	% Shareholding
1.	Promoter and Promoter Group	1,11,60,093	59.96
2.	Public Shareholders	74,52,725	40.04
	Total		100.00



PRIME PROPERTY HOLDINGS LIMITED-TRANSFEROR COMPANY

Prime Property Holdings Limited is a public limited company incorporated on November 09, 2007 under the Companies Act, 1956 having its registered office situated at "Jayalakshmi Estates", 29, Haddows Road, Chennai - 600 006. PPHL is a wholly owned subsidiary of TVS Electronics Limited.

Financial Performance of the Company:

□ in Lacs

Particulars	2015-16 (A)	2014-15(A)	2013-14(A)
Total Revenue	140.67	-	0.43
Profit Before Tax	124.43	(0.79)	(0.20)
Profit After Tax	59.43	(0.70)	24.03
Shareholders' Funds	769.39	709.97	710.66

Board of Directors of PPHL

Sr. No.	Names of Directors	Designation
1.	Mr. R S Raghavan	Director
2.	Mr. R Jagannathan	Director
3.	Mr. T A Prasanna	Director

Shareholding Pattern of PPHL:

Sr. No.	Particulars	No. of Shares	% Shareholding
1.	TVS Electronics Limited and its nominees	5,00,000	100%

5. SCOPE AND PURPOSE OF THIS REPORT

We understand that the Board of Directors of TVSE Land PPHL have considered and proposed a Scheme of Amalgamation of TVSEL with PPHL, pursuant to the provisions of section 391 to 394 and other relevant provisions of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013.

In this connection, the Management as engaged Vivro to submit a Fairness Opinion on the Valuation Report of the practicing Chartered Accountant and on the proposed amalgamation.

This report is subject to the scope, assumptions, limitations and disclaimers detailed above. As such the report is to be ready in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Amalgamation and should not be used for any other purpose.




6. OUR OPINION & CONCLUSION

The fairness opinion has been prepared based on information and explanations provided by the management of the entities and our understanding of the Draft scheme of arrangement. As the merger is between PPHL, wholly owned subsidiary with its holding company, TVSEL, it does not involve any transfer of assets or liabilities outside the group or any change in the shareholding of the Transferee Company. Hence, considering the SEBI Circular and the report issued by Raghu & Gopal, Chartered Accountants, a valuation report is not required to be undertaken.

In view of the above and on consideration of all relevant factors and circumstances, we are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company as per the scheme of Arrangement is fair.

For, Vivro Financial Services Private Limited


S.Sreedharan
Associate Vice President



Date: October 17, 2016
Chennai-4

ANNEXURE - F1

General information about company	
Scrip code	532513
Name of the company	TVS Electronics Limited
Whether company is SME	No
Class of Security	Equity Shares
Type of report	Quarterly
Quarter Ended / Half year ended/Date of Report (For Prelisting / Allotment)	30-09-2016
Date of allotment / extinguishment (in case Capital Restructuring selected) / Listing Date	
Shareholding pattern filed under	Regulation 31 (1) (b)


TVS Electronics Limited

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

Statement showing Shareholding Pattern - Pre and Post Amalgamation

No change in the shareholding pattern post Amalgamation since M/s. Prime Property Holdings Limited (Transferor Company) is a Wholly Owned Subsidiary Company of M/s. TVS Electronics Limited (the Transferee Company)



For TVS Electronics Limited.

 S. Nagalakshmi
 Company Secretary

Sr. No.	Particular	Yes/No
1	Whether the Listed Entity has issued any partly paid up shares?	No
2	Whether the Listed Entity has issued any Convertible Securities ?	No
3	Whether the Listed Entity has issued any Warrants ?	No
4	Whether the Listed Entity has any shares against which depository receipts are issued?	No
5	Whether the Listed Entity has any shares in locked-in?	No
6	Whether any shares held by promoters are pledge or otherwise encumbered?	No
7	Whether company has equity shares with differential voting rights?	No

Company Secretary
S. Nagalakshmi

For TVS Electronics Limited



Table I - Summary Statement holding of specified securities											
Category (I)	Category of shareholder (II)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of (A+B+C)
								Class eg: X	Class eg:y	Total	
(A)	Promoter & Promoter Group	1	11160093			11160093	59.96	11160093		11160093	59.96
(B)	Public	24272	7452725			7452725	40.04	7452725		7452725	40.04
(C)	Non Promoter-Non Public										
(C1)	Shares underlying DRs										
(C2)	Shares held by Employee Trusts										
	Total	24273	18612818			18612818	100	18612818		18612818	100



Table I - Summary Statement holding of specified securities										
Category (I)	Category of shareholder (II)	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
						No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group				59.96					11160093
(B)	Public				40.04					6455402
(C)	Non Promoter- Non Public									
(C1)	Shares underlying DRs									
(C2)	Shares held by Employee Trusts									
	Total				100					17615495



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group											
Sr.	Category & Name of the Shareholders (I)	Nos. Of shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid-up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			
								No of Voting (XIV) Rights			Total as a % of Total Voting rights
								Class eg: X	Class eg: y	Total	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group										
(1)	Indian										
(d)	Any Other (specify)	1	11160093			11160093	59.96	11160093		11160093	59.96
Sub-Total (A)(1)		1	11160093			11160093	59.96	11160093		11160093	59.96
(2)	Foreign										
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)		1	11160093			11160093	59.96	11160093		11160093	59.96
B	Table III - Statement showing shareholding pattern of the Public shareholder										
(1)	Institutions										
(a)	Mutual Funds	8	4200			4200	0.02	4200		4200	0.02
(f)	Financial Institutions/ Banks	6	24576			24576	0.13	24576		24576	0.13
(i)	Any Other (specify)	1	100			100	0	100		100	0
Sub-Total (B)(1)		15	28876			28876	0.16	28876		28876	0.16
(3)	Non-institutions										
(a(ii))	Individuals - i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	23147	5393487			5393487	28.98	5393487		5393487	28.98
(a(ii))	Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	13	992189			992189	5.33	992189		992189	5.33
(e)	Any Other (specify)	1097	1038173			1038173	5.58	1038173		1038173	5.58
Sub-Total (B)(3)		24257	7423849			7423849	39.89	7423849		7423849	39.89
Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)		24272	7452725			7452725	40.04	7452725		7452725	40.04
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder										
Total (A+B+C2)		24273	18612818			18612818	100	18612818		18612818	100
Total (A+B+C)		24273	18612818			18612818	100	18612818		18612818	100



Table II - Statement showing shareholding pattern of the Promoter and Promoter Group									
Sr.	No. Of Shares Underlying Outstanding convertible securities (X)	No. of Shares Underlying Outstanding Warrants (Xi)	No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)	Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
					No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
A	Table II - Statement showing shareholding pattern of the Promoter and Promoter Group								
(1)	Indian								
(d)				59.96					11160093
Sub-Total (A) (1)				59.96					11160093
(2)	Foreign								
Total Shareholding of Promoter and Promoter Group (A)=(A) (1)+(A)(2)				59.96					11160093
B	Table III - Statement showing shareholding pattern of the Public shareholder								
(1)	Institutions								
(a)				0.02					1500
(f)				0.13					23976
(i)				0					0
Sub-Total (B) (1)				0.16					25476
(3)	Non-institutions								
(a(i))				28.98					4921265
(a(ii))				5.33					992189
(e)				5.58					516472
Sub-Total (B) (3)				39.89					6429926
Total Public Shareholding (B)=(B)(1)+(B) (2)+(B)(3)				40.04					6455402
C	Table IV - Statement showing shareholding pattern of the Non Promoter- Non Public shareholder								
Total (A+B+C2)				100					17615495
Total (A+B+C)				100					17615495



Any Other (specify)		
Serial No.	1	
Category	Bodies Corporate	Click here to go back
Name of the Shareholders (I)	TVS Investments Limited	
PAN (II)	AAJCS7459R	Total
No. of the Shareholders (I)	1	1
No. of fully paid up equity shares held (IV)	11160093	11160093
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	11160093	11160093
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	59.96	59.96
Number of Voting Rights held in each class of securities (IX)		
Class eg: X	11160093	11160093
Class eg:y		
Total	11160093	11160093
Total as a % of Total Voting rights	59.96	59.96
No. Of Shares Underlying Outstanding convertible securities (X)		
No. of Shares Underlying Outstanding Warrants (Xi)		
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)		
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) +(X) As a % of (A+B+C2)	59.96	59.96
Number of Locked in shares (XII)		
No. (a)		
As a % of total Shares held (b)		



Number of Shares pledged or otherwise encumbered (XIII)		
No. (a)		
As a % of total Shares held (b)		
Number of equity shares held in dematerialized form (XIV)	11160093	11160093
Reason for not providing PAN		



Any Other (specify)		
Serial No.	1	
Category	Other	
Category / More than 1 percentage	Category	Click here to go back
Name of the Shareholders (I)	Foreign Institutional Investors	
PAN (II)		Total
No. of the Shareholders (I)	1	1
No. of fully paid up equity shares held (IV)	100	100
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	100	100
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	0	0
Number of Voting Rights held in each class of securities (IX)		
Class eg: X	100	100
Class eg:y		
Total	100	100
Total as a % of Total Voting rights	0	0
No. Of Shares Underlying Outstanding convertible securities (X)		
No. of Shares Underlying Outstanding Warrants (Xi)		
No. Of Shares Underlying Outstanding convertible securities and Warrants (X)		
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) +(X) As a % of (A+B+C2)	0	0
Number of Locked in shares (XII)		
No. (a)		
As a % of total Shares held (b)		



Number of equity shares held in dematerialized form (XIV)	0	0
Reason for not providing PAN		
Reason for not providing PAN		



Individuals - ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		
Serial No.	1	
Name of the Shareholders (I)	Narayan K Seshadri	Click here to go back
PAN (II)	AAVPS2486D	Total
No. of fully paid up equity shares held (IV)	530000	530000
No. Of Partly paid-up equity shares held (V)		
No. Of shares underlying Depository Receipts (VI)		
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	530000	530000
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	2.85	2.85
Number of Voting Rights held in each class of securities (IX)		
Class eg: X	530000	530000
Class eg:y		
Total	530000	530000
Total as a % of Total Voting rights	2.85	2.85
No. Of Shares Underlying Outstanding convertible securities (X)		
No. of Shares Underlying Outstanding Warrants (Xi)		
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)		
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) +(X) As a % of (A+B+C2)	2.85	2.85
Number of Locked in shares (XII)		
No. (a)		
As a % of total Shares held (b)		
Number of equity shares held in dematerialized form (XIV)	530000	530000
Reason for not providing PAN		



Reason for not providing PAN		
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Any Other (specify)					
Serial No.	1	2	3	4	
Category	Bodies Corporate	Bodies Corporate	NRI – Non- Repat	NRI – Repat	
Category / More than 1 percentage	More than 1 percentage of shareholding	Category	Category	Category	
Name of the Shareholders (I)	Tranzmute Business Advisory LLP				Click here to go back
PAN (II)	AAHFT1333N				Total
No. of the Shareholders (I)	1	331	85	681	1097
No. of fully paid up equity shares held (IV)	350000	745998	23621	268554	1038173
No. Of Partly paid-up equity shares held (V)					
No. Of shares underlying Depository Receipts (VI)					
Total nos. shares held (VII) = (IV)+ (V)+ (VI)	350000	745998	23621	268554	1038173
Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	1.88	4.01	0.13	1.44	5.58
Number of Voting Rights held in each class of securities (IX)					
Class eg: X	350000	745998	23621	268554	1038173
Class eg:y					
Total	350000	745998	23621	268554	1038173
Total as a % of Total Voting rights	1.88	4.01	0.13	1.44	5.58
No. Of Shares Underlying Outstanding convertible securities (X)					
No. of Shares Underlying Outstanding Warrants (Xi)					
No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a)					
Shareholding , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII) +(X) As a % of (A+B+C2)	1.88	4.01	0.13	1.44	5.58
Number of Locked in shares (XII)					
No. (a)					



As a % of total Shares held (b)					
Number of equity shares held in dematerialized form (XIV)	0	375047	22821	118604	516472
Reason for not providing PAN					
Reason for not providing PAN					



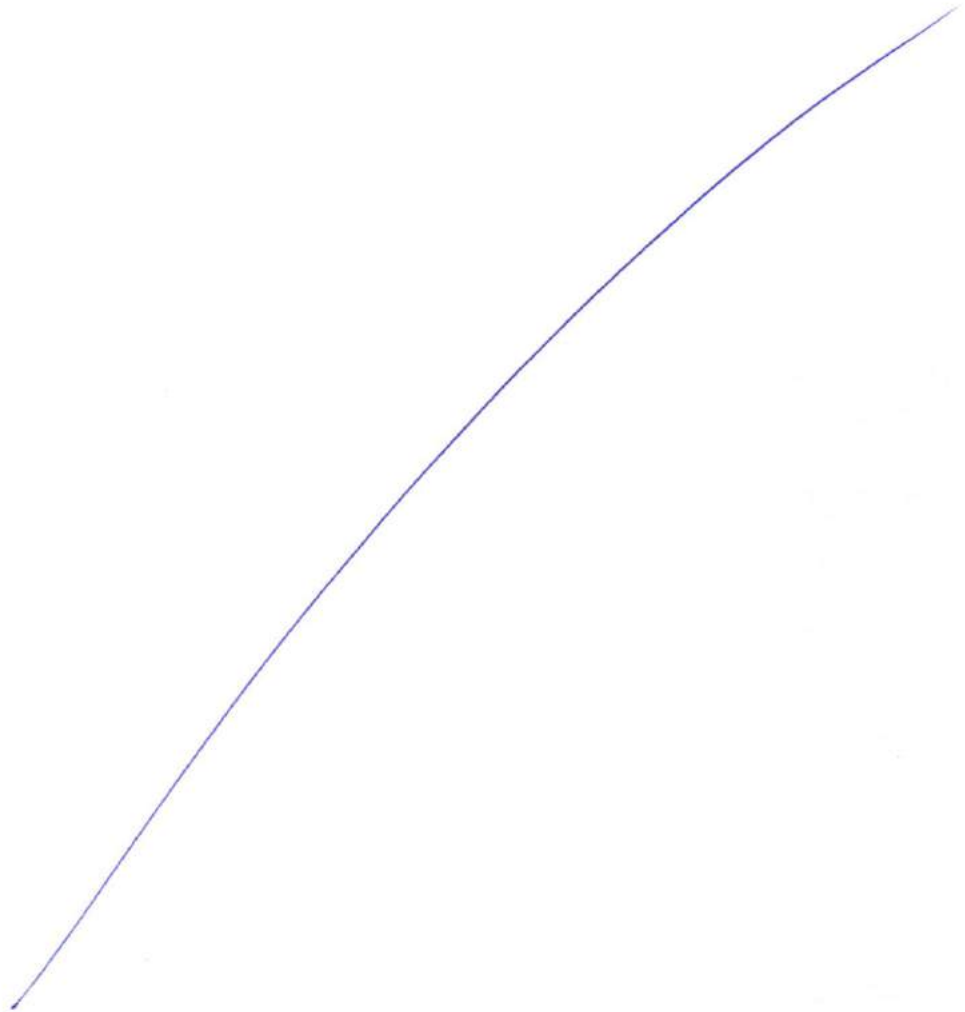
Details of Shares which remain unclaimed for Public				
Serial No.	Number of shareholders	Outstanding shares held in demat or unclaimed suspense account	voting rights which are frozen	Disclosure of notes on shares which remain unclaimed for public shareholders
1	637	93782	93782	Textual Information(1)



C

Text Block	
Textual Information(1)	The shares were dematerialised and transferred to Unclaimed Suspense Account. The voting rights of such shares shall remain frozen till the rightful owner claims the shares





PRIME PROPERTY HOLDINGS LIMITED

Regd. Office: "Jayalakshmi Estates", # 29, Haddows Road, Chennai - 600 006.
Corporate Office : No.9,Second Floor,Murrays Gate Road, Alwarpet, Chennai - 600 018

CIN : U45200TN2007PLC065330

Ph: +91 044 42928500

**PRE-SHAREHOLDING PATTERN OF PRIME PROPERTY HOLDINGS LIMITED
(TRANSFEROR COMPANY)**

Equity Shares of FV Rs.10/- each

S.No.	Name of the Shareholder	No. of Shares	%
1	TVS Electronics Limited	49,940	99.88
2	H. Lakshmanan *	10	0.02
3	R. Jagannathan *	10	0.02
4	R.S. Raghavan *	10	0.02
5	T.A. Prasanna *	10	0.02
6	J. Krishnan *	10	0.02
7	Gopal Srinivasan *	10	0.02
Total		50,000	100.00

* Nominees of TVS Electronics Limited

**POST SHAREHOLDING PATTERN OF PRIME PROPERTY HOLDINGS LIMITED
(TRANSFEROR COMPANY)**

The entire shareholding will be cancelled upon amalgamation, since Prime Property Holdings Limited (Transferor Company) is a Wholly Owned Subsidiary of TVS Electronics Limited (Transferee Company).

Prime Property Holdings Limited (Transferor Company) shall be dissolved without the process of winding upon the Scheme becoming effective in accordance with the provisions of the Act and the Rules made there under.

For Prime Property Holdings Limited


R S Raghavan
Director





The financial details of the company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **TVS Electronics Limited**

(Rs. in Crores)

	As per Limited Review conducted for the period ended 30/09/2016	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
		2015-16	2014-15	2013-14
Equity Paid up Capital	18.61	18.55	18.02	18.02
Reserves and surplus	25.40	24.86	19.69	17.49
Carry forward losses	-	-	-	-
Net Worth	44.01	43.41	37.71	35.51
Miscellaneous Expenditure	-	-	-	-
Secured Loans	16.38	24.38	31.61	43.90
Unsecured Loans	13.74	10.28	21.69	14.06
Fixed Assets	35.14	38.43	40.73	44.89
Income from Operations	830.05	593.49	270.06	247.42
Total Income	830.46	595.03	271.03	249.62
Total Expenditure	830.22	591.72	268.11	248.32
Profit before Tax (after extraordinary and exceptional items)	0/24	5.43	3.17	0.66
Profit after Tax	0.15	4.31	2.29	0.40
Cash profit (PBT + Depn)	4.35	14.03	10.13	6.32
EPS	0.08	2.36	1.27	0.22
Book value	24	23	21	20

For TVS Electronics Limited

Nagala

S Nagalakshmi
Company Secretary



TVS Electronics Limited

South Phase 7A, Second Floor, Industrial Estates, Guindy, Chennai-600 032. Tel.: +91-44-4200 5200 Fax : +91(44)2225 7577

Registered Office: Jayalakshmi Estate, New No.29, (Old No.8), Haddows Road, Chennai- 600 006.

Corporate Identity Number : L30007TN1995PLC032941

E-mail id : webmaster@tvs-e.in Website: www.tvs-e.in



LIMITED REVIEW REPORT ON UNAUDITED STANDALONE FINANCIAL RESULTS OF TVS ELECTRONICS LIMITED, CHENNAI FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2016

To

**The Board of Directors of TVS Electronics Limited,
Chennai.**

1. We have reviewed the accompanying statement of unaudited standalone financial results of TVS Electronics Limited, Chennai having its registered office at "Jayalakshmi Estates", 29, Haddows Road, Chennai – 600006 for the quarter and six months ended 30th September 2016. This statement is the responsibility of the company's management and has been approved by the Board of Directors at their meeting held on 2nd November 2016. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted over review in accordance with the Standard on Review of Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to enquires of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited



[Handwritten signature]
22/11/2016



Sundaram & Srinivasan
CHARTERED ACCOUNTANTS

Offices : Chennai - Mumbai - Bangalore - Madurai

New No.4, Old No. 23,
C.P. Ramaswamy Road
Alwarpet, Chennai - 600 018

Telephone { 2498 8762
2498 8463
4210 6952

E-Mail: yessendes@vsnl.net
Website: www.sundaramandsrinivasan.com

Date

LIMITED REVIEW REPORT ON UNAUDITED STANDALONE FINANCIAL RESULTS OF TVS ELECTRONICS LIMITED, CHENNAI FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2016

standalone financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

M. Balasubramaniyam
Partner
Membership No. F7945

Place : Chennai
Date : November 2, 2016

02/11/2016





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- Managed services
- E-auction services

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10 BRANCH OFFICES



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60+ EXCLUSIVE STORES FOR MULTIPLE BRANDS



TVS Electronics Limited

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



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SERVICE 1800 425 4566 / 3030 9797*

* Please prefix city STD code before dialling

Corporate Information

Board of Directors

Gopal Srinivasan, Chairman
 K E Ranganathan
 Managing Director
 Srilalitha Gopal
 D Sundaram
 R Ramaraj
 Kenneth Tai
 Praveen Chakravarty
 Nagendra Palle
 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 Palle
 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 Palle
 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 OZ-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

Registered Office:

“Jayalakshmi Estates”

29, Haddows Road, Chennai - 600 006

**S. Nagalakshmi
Company Secretary**

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 advise 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.



Notice to the Members (Contd.)

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 – 21stAGM 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 scsshares@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	

Chennai
4th May, 2016
Registered Office:
"Jayalakshmi Estates"
29, Haddows Road,
Chennai - 600 006

By Order of the Board

**S. Nagalakshmi
Company Secretary**

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.tvse.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

**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)

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	-	-	-	0	-	-	-	-	-	-
(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	1,11,60,093	-	1,11,60,093	1,11,60,093	-	1,11,60,093	60.15%	0	0	-1.77%
(A) = (A) (1) + (A) (2)										
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			% of total shares			No. of Shares held at the end of the year			% of total shares			% Change during the year		
	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total	Demat	Physical	Total	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
(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
(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
(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
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
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
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
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-	-	-	-	0	0	0
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	
						% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares
1	TRANZMUTE BUSINESS ADVISORY LLP FOLIO NO. P13050013694	3,50,000	No Change	Opening balance	-	-	-	-	1.89
2	SANDHYA G PARIKH Client Id : 16010103000000616 DP ID : 10103	91,976	No Change	Closing balance	-	-	-	-	0.50
3	ANITA RAWAT Client Id : 30011185 DP ID : IN301524	54,000	01/04/2015	Opening balance	10,652	0.06	64,652	0.36	
			01/05/2015	Transfer / Purchase	348	0.00	65,000	0.36	
			08/05/2015	Transfer / Purchase	2,000	0.01	67,000	0.37	
			15/05/2015	Transfer / Purchase	2,893	0.02	69,893	0.39	
			12/06/2015	Transfer / Purchase	107	0.00	70,000	0.39	
			19/06/2015	Transfer / Purchase	13,000	0.07	57,000	0.31	
			22/01/2016	Transfer / Sale	4,000	0.02	53,000	0.29	
			04/03/2016	Transfer / Sale					
4	M. PARAS	51,631	01/03/2016	Closing balance	-	-	-	-	0.29
			01/04/2015	Opening balance	232	0.00	51,399	0.28	
			25/03/2016	Transfer / Sale					
			31/03/2016	Closing balance					
5	P. JANARDHAN Client Id : 11237078 DP ID : IN300095	NIL	01/04/2015	Opening balance	50,000	0.28	50,000	0.28	
			31/03/2016	Transfer / Purchase					
			31/03/2016	Closing balance					
6	TANVI J MEHTA Client Id : 1203000000624997 DP ID : 30000	41,022	No Change	Opening balance	-	-	-	-	0.28
				Closing balance					
7	MOTILAL OSWAL SECURITIES LIMITED - NSE CLIENT BEN ACCOUNT Client Id : 1201090000011183 DP ID : 10900	NIL	01/04/2015	Opening balance	2,011	0.01	2,011	0.01	
			10/04/2015	Transfer / Purchase	134	0.00	1,877	0.01	
			17/04/2015	Transfer / Sales	1,468	0.01	409	0.00	
			24/04/2015	Transfer / Sales	409	0.00	0	0.00	
			01/05/2015	Transfer / Sales	238	0.00	238	0.00	
			15/05/2015	Transfer / Purchase	282	0.00	520	0.00	
			22/05/2015	Transfer / Purchase	500	0.00	20	0.00	
			29/05/2015	Transfer / Sales	25	0.00	45	0.00	
			05/06/2015	Transfer / Purchase	175	0.00	220	0.00	
			12/06/2015	Transfer / Purchase	120	0.00	100	0.00	
			19/06/2015	Transfer / Sales	50	0.00	150	0.00	
			26/06/2015	Transfer / Purchase	150	0.00	0	0.00	
			03/07/2015	Transfer / Sales	32	0.00	32	0.00	
			10/07/2015	Transfer / Purchase	868	0.00	900	0.00	
			17/07/2015	Transfer / Purchase	399	0.00	501	0.00	
			24/07/2015	Transfer / Sales					

Annexure B to Board's Report (Contd.)

31/07/2015	Transfer / Sales	324	0.00	177	0.00	
07/08/2015	Transfer / Sales	32	0.00	145	0.00	
14/08/2015	Transfer / Purchase	1,386	0.01	1,531	0.01	
21/08/2015	Transfer / Sales	852	0.00	679	0.00	
28/08/2015	Transfer / Purchase	1,131	0.01	1,810	0.01	
04/09/2015	Transfer / Sales	1,074	0.01	736	0.00	
11/09/2015	Transfer / Sales	227	0.00	509	0.00	
18/09/2015	Transfer / Sales	60	0.00	449	0.00	
25/09/2015	Transfer / Sales	383	0.00	66	0.00	
30/09/2015	Transfer / Purchase	34	0.00	100	0.00	
02/10/2015	Transfer / Purchase	100	0.00	200	0.00	
09/10/2015	Transfer / Purchase	1,824	0.01	1,824	0.01	
16/10/2015	Transfer / Sales	49	0.00	1,775	0.01	
23/10/2015	Transfer / Sales	593	0.00	1,182	0.01	
30/10/2015	Transfer / Sales	129	0.00	1,053	0.01	
06/11/2015	Transfer / Sales	1,032	0.01	21	0.00	
13/11/2015	Transfer / Purchase	3,140	0.02	3,161	0.02	
20/11/2015	Transfer / Sales	256	0.00	2,905	0.02	
27/11/2015	Transfer / Sales	730	0.00	2,175	0.01	
04/12/2015	Transfer / Purchase	15,864	0.09	18,039	0.10	
11/12/2015	Transfer / Purchase	7,248	0.04	25,287	0.14	
18/12/2015	Transfer / Purchase	8,659	0.05	33,946	0.18	
25/12/2015	Transfer / Sales	4,003	0.02	29,943	0.16	
31/12/2015	Transfer / Purchase	2,274	0.01	32,217	0.17	
08/01/2016	Transfer / Sales	3,953	0.02	28,264	0.15	
15/01/2016	Transfer / Sales	1,834	0.01	26,430	0.14	
22/01/2016	Transfer / Purchase	6,243	0.03	32,673	0.18	
29/01/2016	Transfer / Purchase	6,286	0.03	38,959	0.21	
05/02/2016	Transfer / Sales	5,022	0.03	33,937	0.18	
12/02/2016	Transfer / Sales	671	0.00	33,266	0.18	
19/02/2016	Transfer / Sales	316	0.00	32,950	0.18	
26/02/2016	Transfer / Purchase	885	0.00	33,835	0.18	
04/03/2016	Transfer / Purchase	1,275	0.01	35,110	0.19	
11/03/2016	Transfer / Sales	2,129	0.01	32,981	0.18	
18/03/2016	Transfer / Purchase	13	0.00	32,994	0.18	
25/03/2016	Transfer / Purchase	529	0.00	33,523	0.18	
31/03/2016	Transfer / Sales	798	0.00	32,725	0.18	
31/03/2016	Closing balance			32,725		0.18

Annexure B to Board's Report (Contd.)

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

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:
- (i) 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:
- (a) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (b) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (d) 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.
- (ii) 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:
- (i) Complied with the applicable provisions of the Act, Rules, SEBI Regulations, Listing agreements and other specific laws mentioned under paragraph A-2 above; and
- (ii) Generally complied with the applicable Secretarial Standards.
- B. We further report that:**
1. 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.
2. 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.
3. 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.
4. 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:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited accounts/ results, unaudited financial results and connected papers; and
- (ii) Additional subjects/ information and supplementary notes.
5. 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.
6. We are informed that at Board meetings held during the year:
- (i) Majority decisions were carried through; and
- (ii) 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

Membership No: F6312

Place : Chennai

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

Membership No: F6312

Certificate of Practice No: 2215

Date : 4th May, 2016

Place : Chennai

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

Membership No: F6312

Certificate of Practice No: 2215

Date : 4th May, 2016

Place : Chennai



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 joinees 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 Palle 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 Palle	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.tvse.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 Palle	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 Palle	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:

- Ordinary Resolution under Section 149, 150, 152, 160, Schedule IV of the Companies Act, 2013 – Appointment of Dr. Nagendra Palle as Independent Director, Mr. M Lakshminarayan, Mr. M F Farooqui as Independent Directors
 - Ordinary Resolution under Section 148 of the Companies Act, 2013 – Ratification of Cost Auditor's remuneration
 - 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 Palle 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	426
	Against	14	20	31	31
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	4,507
	In %	0.02	0.03	0.06	0.04

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:



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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 Holders	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

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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 OZ-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.

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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.tvse.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
Partner
Membership No: F7945

Place : Chennai
Date : May 04, 2016



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)	<u>60.60</u>	<u>60.60</u>
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)	<u>1,436.00</u>	<u>1,326.55</u>
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)	<u>50.94</u>	<u>74.34</u>
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)	<u>294.27</u>	<u>294.27</u>
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
Closing Balance (e)	<u>15.00</u>	<u>15.00</u>
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)	<u>628.78</u>	<u>197.60</u>
Total (h) = (a)+(b)+(c)+(d)+(e)+(f)	<u><u>2,485.59</u></u>	<u><u>1,968.36</u></u>



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 Payable after one year moratorium	500.00	
(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	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 31.03.2016 ₹ in Lakhs	Balance as at 31.03.2015 ₹ in Lakhs
	Fixed Assets									
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	-	6.33	192.82	194.93
Land Total	223.41	-	0.15	223.26	4.22	2.11	-	6.33	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	647.69	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	655.31	720.39
Furniture and Fixtures	247.32	74.98	8.24	314.06	129.27	47.51	4.11	172.67	141.39	118.05
Vehicles	57.90	0.08	-	57.98	5.32	6.87	-	12.19	45.79	52.58
Office equipment	869.23	200.30	211.29	858.24	748.18	120.18	209.75	658.61	199.63	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	1,906.74	1,810.98
b) Intangible Assets										
Computer software	175.78	25.79	-	201.57	131.56	43.56	-	175.12	26.45	44.22
Intellectual Property Rights	800.00	-	-	800.00	760.00	-	-	760.00	40.00	40.00
Business Rights	3,262.91	-	-	3,262.91	1,084.93	309.98	-	1,394.91	1,868.00	2,177.98
Intellectual Property and Business Rights Total	4,062.91	-	-	4,062.91	1,844.93	309.98	-	2,154.91	1,908.00	2,217.98
Intangible Assets Total	4,238.69	25.79	-	4,264.48	1,976.49	353.54	-	2,330.03	1,934.45	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	3,843.29	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
			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)	<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	<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)	<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
	(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 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.)

Particulars	₹ in Lakhs	
	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.



Notes to Accounts (Contd.)

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 Information Technology solutions are recognised depending upon the stage of completion of the project.
- d Other income includes realised exchange fluctuation gain on Sale of products, Sale of services of ₹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

- 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.
- 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 .
- Other income includes realised exchange fluctuation gain on Sale of products, Sale of services of ₹ 117.99 lakhs (Previous year ₹ 81.80 lakhs).
- Derivative transactions :

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

- 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

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

				₹ in Lakhs	
				As at / Year ended 31.03.2016	As at / Year ended 31.03.2015
- 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

₹ 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	<u>20.03</u>	<u>21.48</u>

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 :

- i) 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.
- ii) 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.
- iii) 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	₹ in Lakhs As at / Year ended 31.03.2015
(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 (which do not individually account for more than 10% of the value of the consumption)		8,428.63		9,784.08
			<u>8,536.06</u>		<u>9,925.32</u>
		% 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	<u>100.00%</u>	<u>8,536.06</u>	<u>100.00%</u>	<u>9,925.32</u>
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	<u>100.00%</u>	<u>27.24</u>	<u>100.00%</u>	<u>30.40</u>
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		<u>9,389.35</u>		<u>8,986.44</u>
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
			<u>59,349.41</u>		<u>27,005.92</u>
17	EARNINGS IN FOREIGN EXCHANGE				
	Exports		6,178.38		3,359.09
			<u>6,178.38</u>		<u>3,359.09</u>
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>
Direct taxes paid net of provision	2,735.23	1,067.01
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. BALASUBRAMANIYAM

Place : Chennai
Chennai : May 04, 2016

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



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)		<u>59,349.41</u>	<u>27,005.92</u>
II. Other income	19	294.25	97.19
III. Total Revenue (I + II)		<u>59,643.66</u>	<u>27,103.11</u>
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		<u>59,188.52</u>	<u>26,811.33</u>
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)
		<u>177.35</u>	<u>87.43</u>
XI. Profit/(Loss) for the period (IX - X)		<u>490.61</u>	<u>228.41</u>
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)	<u>60.60</u>	<u>60.64</u>
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)	<u>1,436.00</u>	<u>1,326.55</u>
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)	<u>50.94</u>	<u>74.34</u>
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)	<u>294.27</u>	<u>294.27</u>
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
Closing Balance (e)	<u>15.00</u>	<u>15.00</u>
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)	<u>1,393.17</u>	<u>902.56</u>
Total (h) = (a)+(b)+(c)+(d)+(e)+(f)	<u><u>3,249.98</u></u>	<u><u>2,673.36</u></u>



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	<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
(d) Tax	5.65	6.03
Total	<u>211.87</u>	<u>215.72</u>



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	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	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	2.11	-	192.82	194.93
Land Total	239.91	-	16.65	223.26	2.11	-	216.93	235.69
Buildings including improvements	1,054.15	208.80	1.55	1,261.40	140.60	1.32	613.71	579.72
Plant and Equipment	3,558.57	138.24	1,029.71	2,667.10	188.79	1,015.18	2,011.79	720.39
Furniture and Fixtures	247.32	74.98	8.24	314.06	47.51	4.11	172.67	118.05
Vehicles	57.90	0.08	-	57.98	6.87	-	12.19	52.58
Office equipment	869.23	200.30	211.29	858.24	120.18	209.75	658.61	121.05
Tangible Assets Total	6,027.08	622.40	1,267.44	5,382.04	506.06	1,230.36	3,475.30	1,827.48
b) Intangible Assets								
Computer software	175.78	25.79	-	201.57	43.56	-	175.12	44.22
Intellectual Property Rights	800.00	-	-	800.00	-	-	760.00	40.00
Business Rights	3,262.91	-	-	3,262.91	309.98	-	1,394.91	2,177.98
Intellectual Property and Business Rights Total	4,062.91	-	-	4,062.91	309.98	-	2,154.91	2,217.98
Intangible Assets Total	4,238.69	25.79	-	4,264.48	353.54	-	2,330.03	2,262.20
c) Intangible Assets under development								
Website	-	2.10	-	2.10	-	-	-	-
Intangible Assets under development Total	-	2.10	-	2.10	-	-	-	-
Grand Total	10,265.77	650.29	1,267.44	9,648.62	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
			(3)	(4)			(6)	(7)	(8)	(9)		
	(1)	(2)	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)	<u>3,258.61</u>	<u>3,220.55</u>
Note No. 12 - Other non-current assets		
Claims Receivable - Sales Tax	40.23	38.99
Total	<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)	<u>4,082.86</u>	<u>2,789.21</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
	2,865.64	2,882.24
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
	59.87	76.42
Less: Provision for doubtful debts	36.95	50.96
	22.92	25.46
Total	2,888.56	2,907.70
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)	602.20	182.78
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	622.85	518.69
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)	261.77	401.91



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	<u>2,839.76</u>	<u>2,638.98</u>
Note No. 22 - FINANCE COSTS		
Interest expense	551.95	653.72
Other borrowing costs - Loan processing charges	21.46	38.44
Total	<u>573.41</u>	<u>692.16</u>
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	<u>7,696.71</u>	<u>5,324.67</u>
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 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	1,343.39	1,411.38
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

Prospering together in diverse segments



Healthcare



Warehousing



Restaurants /
Fast Foods



Courier



Banking



Logistics



Manufacturing



Entertainment



Textiles



Retail

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

Our Flagship Range



Dot Matrix Printer



Cash Register



Touch POS



Thermal Printer



Barcode
Scanner

TVS Electronics Limited

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

Registered Office:

Jayalakshmi Estates, 29, Haddows Road, Chennai - 600 006

PRIME PROPERTY HOLDINGS LIMITED

Regd. Office: "Jayalakshmi Estates", # 29, Haddows Road, Chennai - 600 006.
Corporate Office : No.9,Second Floor,Murrays Gate Road, Alwarpet, Chennai - 600 018

CIN : U45200TN2007PLC065330

Ph: +91 044 42928500

The financial details of the Company for the previous 3 years as per the audited statement of Accounts:

Name of the Company: **Prime Property Holdings Limited**

(Rs. in Lakhs)

	Un Audited Accounts for the period ended	As per last Audited Financial Year	1 year prior to the last Audited Financial Year	2 years prior to the last Audited Financial Year
	30 th Sept 2016	2015-16	2014-15	2013-14
Equity Paid up Capital	5.00	5.00	5.00	5.00
Reserves and surplus	880.88	764.39	704.97	705.66
Carry forward losses	-	-	-	-
Net Worth	885.88	769.39	709.97	710.66
Miscellaneous Expenditure	-	-	-	-
Secured Loans	-	-	-	-
Unsecured Loans	150.00	150.00	-	-
Fixed Assets	-	-	16.50	16.50
Income from Operations	125.67	140.67	0.01	0.43
Total Income	125.67	140.67	0.01	0.43
Total Expenditure	9.18	16.24	0.79	0.63
Profit before Tax	116.50	124.43	-0.78	-0.20
Profit after Tax	-	59.43	-0.69	24.03
Cash profit(PBT+Depn)	116.50	124.43	-	-
EPS	232.99	118.85	-1.39	-4.81
Book value	1771.76	1538.78	1419.94	1421.32

For Prime Property Holdings Limited



R S Raghavan
Director



**Prime Property Holdings Ltd
Audited Accounts for the year
ended 31st March 2016**





Raghu & Gopal
Chartered Accountants

48 (old 157) Ling Church Road,
Mylapore, Chennai - 600 004
2499 2908, 24990060
gopal.rug@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRIME PROPERTY HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PRIME PROPERTY HOLDINGS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, 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 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 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) Rule 2014.

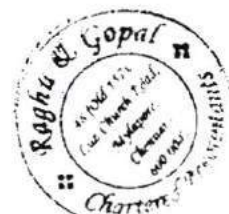
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and deducting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 and the Order under section 143 (11) of the Act.

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.



[Handwritten signature]



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.

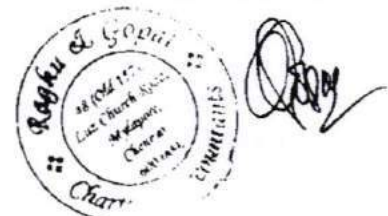
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement, dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



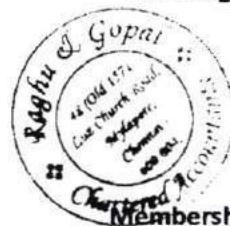


- (e) On the basis of the written representations received from the directors as on 31 March 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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:
- The Company has no litigations on its financial position in its financial statements.
 - There is no provision, as required under the applicable law or accounting standards, for material foreseeable, if any losses on long-term contracts.
 - There were no amounts which were required to be transferred to the Investor Education and Protection fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") as amended, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Chennai
29th April 2016

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For Raghun & Gopal
Chartered Accountants
Firm Registration No: 0033355



A. Gopal
Partner

Membership No: F 9035

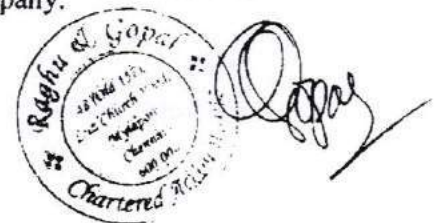




ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
 - (a) The Company does not have any Fixed Assets hence reporting under clause (1) (a) and (b) of the CARO 2016 Order is not applicable.
 - (b) Being a Property Development Company, the matters in connection with verification, reporting and all other related matters on inventory are not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 Order is not applicable
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 Order is not applicable.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits during the year to which the provisions of Sections 73 to 76 or any other relevant provisions of Companies Act, 2013 were applicable.
- (vii) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 Order is not applicable.
- (viii) According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has no employees. The Company has no undisputed statutory dues remaining unpaid.
 - b. There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- (ix) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.





- (x) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (xi) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xii) The Company has no employees and hence reporting under clause (xi) of the CARO order is not applicable.
- (xiii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiv) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvii) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

Chennai
29th April 2016

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For Raghu & Gopal
Chartered Accountants
Firm Registration No: 0933355



A. Gopal
A. Gopal
Partner

Membership No: F 9035





ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

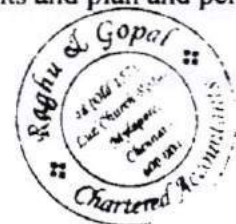
We have audited the internal financial controls over financial reporting of **PRIME PROPERTY HOLDINGS LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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





audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

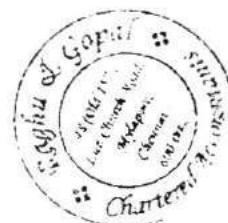
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to





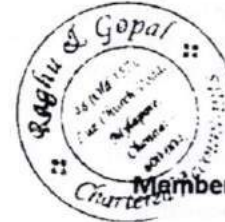
future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Chennai
29th April 2016

For Raghu & Gopal
Chartered Accountants
Firm Registration No: 0033355



A. Gopal
A. Gopal
Partner

Membership No: F 9035



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Balance Sheet as at 31st March 2016

(Amount In ₹)

Particulars	Note No.	As at 31st March 2016	As at 31st March 2015
1	2	3	4
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	5,00,000	5,00,000
(b) Reserves and surplus	2	7,64,39,341	7,04,96,718
(c) Share application money		-	-
		7,69,39,341	7,09,96,718
2 Share application money pending allotment			
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities		-	-
(d) Long-term provisions	3	4,65,211	6,03,359
		4,65,211	6,03,359
4 Current liabilities			
(a) Short-term borrowings	4	1,50,00,000	-
(b) Trade payables		-	-
(c) Other current liabilities	5	1,44,018	25,222
(d) Short-term provisions	6	1,00,000	-
		1,52,44,018	25,222
TOTAL		9,26,48,570	7,16,25,299
II. ASSETS			
Non-current assets			
1 (a) Fixed assets	7	-	16,50,000
(b) Non Current Investments	8	8,63,21,316	6,64,17,634
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	9	26,11,395	26,11,372
(e) Other non-current assets		-	-
		8,89,32,711	7,06,79,006
2 Current assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	10	37,15,860	9,46,294
(e) Short-term loans and advances		-	-
(f) Other current assets		-	-
		37,15,860	9,46,294
TOTAL		9,26,48,570	7,16,25,299
Notes on Accounts	14	-	-

For and on behalf of the Board

As per our report of even date

For Raghu & Gopal

Chartered Accountants

Firm Registration No: 0033355


R S RAGHAVAN
DIRECTOR


R JAGANNATHAN
DIRECTOR


A. Gopal
Partner
Membership No: F9035

Chennai
29th April 2016



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Statement of Profit and Loss for the year ended 31st March 2016

(Amount in ₹)

Particulars	Refer Note No.	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Revenue From Operations		-	-
II. Other income	11	1,40,67,105	976
III. Total Revenue (I + II)		1,40,67,105	976
IV. Expenses:			
Employee benefits expense		-	-
Finance costs		6,043	-
Depreciation and amortization expense		-	-
Other expenses	12	16,18,439	79,558
Total expenses		16,24,482	79,558
V. Profit/(Loss) before exceptional and extraordinary items and tax (III-IV)		1,24,42,623	(78,582)
VI. Exceptional items		-	-
VII. Profit/(Loss) before extraordinary items and tax (V - VI)		1,24,42,623	(78,582)
VIII. Extraordinary Items		-	-
IX. Profit/(Loss) before tax (VII- VIII)		1,24,42,623	(78,582)
X Tax expense:			
(1) Current tax	13	65,00,000	(9,077)
(2) Deferred tax		-	-
XI Profit (Loss) for the period from continuing operations (VII- VIII)		59,42,623	(69,505)
XII Profit/(loss) from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) from Discontinuing operations (after tax) (XII- XIII)		-	-
XV Profit (Loss) for the period (XI + XIV)		59,42,623	(69,505)
XVI Earnings per equity share:			
(1) Basic		118.85	(1.39)
(2) Diluted		118.85	(1.39)
Notes on Accounts	14		

For and on behalf of the Board

As per our report of even date

For Raghu & Gopal

Chartered Accountants

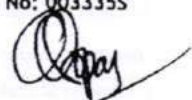
Firm Registration No: 0033355



R S RAGHAVAN
DIRECTOR



R JAGANNATHAN
DIRECTOR



A. Gopal
Partner

Membership No: F9035

Chennai
29th April 2016



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Notes to Balance Sheet as at 31st March 2016

Note 1 - Share Capital

<u>Share Capital</u>	As at 31st March 2016		As at 31st March 2015	
	Number	₹	Number	₹
<u>Authorised</u> Equity Shares of ₹ 10/- each	50,000	5,00,000	50,000	5,00,000
<u>Issued</u> Equity Shares of ₹ 10/- each	50,000	5,00,000	50,000	5,00,000
<u>Subscribed & fully Paid up</u> Equity Shares of ₹ 10/- each fully paid	50,000	5,00,000	50,000	5,00,000
Total	50,000	5,00,000	50,000	5,00,000

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

Particulars	Equity Shares			
	As at 31st March 2016		As at 31st March 2015	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	50,000	5,00,000	50,000	5,00,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	50,000	5,00,000	50,000	5,00,000

Right and preferences attached to equity share:

(i) Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 1956.

(ii) There are no restrictions attached to the equity shares.

Particulars of shares held by the Holding company

Out of Equity shares issued by the Company, shares held by its holding company and its nominees are as below:

Particulars	Nature of Relationship	As at 31st March 2016	As at 31st March 2015
Equity Shares			
TVS Electronics Limited and its nominees	Holding Company	50,000	50,000
		50,000	50,000

Details of shareholder holding more than five percent shares

Name of Shareholder holding more than 5% shares	Equity Shares			
	As at 31st March 2016		As at 31st March 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
TVS Electronics Limited and its nominees	50,000	100%	50,000	100%



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Notes to Balance Sheet as at 31st March 2016

Note 2 - Reserves and Surplus

<u>Reserves & Surplus</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Surplus/(Debit balance in Statement of Profit and Loss)		
Opening balance	7,04,96,718	7,05,66,223
(+) Net Profit/(Net Loss) for the current year	59,42,623	(69,505)
Closing Balance	7,64,39,341	7,04,96,718
Closing Balance	7,64,39,341	7,04,96,718

Note 3 - Long Term Provisions

<u>Long Term Provisions</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Provision for Tax	4,65,211	6,03,359
Total	4,65,211	6,03,359

Note 4 - Short Term Borrowings

<u>Short Term Borrowings</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
From a Related Party		
Loan from Holding Company TVS Electronics Ltd.,	1,50,00,000	-
Total	1,50,00,000	-

Note 5 - Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Other payables - Tax deducted at source on expenses	1,00,500	-
Interest payable	4,493	-
Liabilities for expenses	39,025	25,222
Total	1,44,018	25,222

Note 6 - Short Term Provisions

<u>Short Term Provisions</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Provision for tax		
Provision for the year 2014-15	65,00,000	
Less: Tax paid	64,00,000	
	1,00,000.00	-
Total	1,00,000.00	-



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Notes to Balance Sheet as at 31st March 2016

Note 2 - Reserves and Surplus

<u>Reserves & Surplus</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Surplus/(Debit balance in Statement of Profit and Loss)		
Opening balance	7,04,96,718	7,05,66,223
(+) Net Profit/(Net Loss) for the current year	59,42,623	(69,505)
Closing Balance	7,64,39,341	7,04,96,718
Closing Balance	7,64,39,341	7,04,96,718

Note 3 - Long Term Provisions

<u>Long Term Provisions</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Provision for Tax	6,03,359	6,03,359
	(1,38,148)	
Total	4,65,211	6,03,359

Note 4 - Short Term Borrowings

<u>Short Term Borrowings</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
From a Related Party		
Loan from Holding Company TVS Electronics Ltd.,	1,50,00,000	-
Total	1,50,00,000	-

Note 5 - Other Current Liabilities

<u>Other Current Liabilities</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Other payables - Tax deducted at source on expenses	1,00,500	-
Interest payable	4,493	-
Liabilities for expenses	39,025	25,222
Total	1,44,018	25,222

Note 6 - Short Term Provisions

<u>Short Term Provisions</u>	As at 31st March 2016	As at 31st March 2015
	₹	₹
Provision for tax		
Provision for the year 2014-15	65,00,000	
Less: Tax paid	64,00,000	
	1,00,000.00	-
Total	1,00,000.00	-



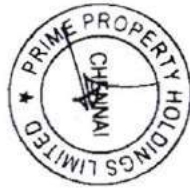
PRIME PROPERTY HOLDINGS LIMITED
 Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Notes to Balance Sheet as at 31st March 2016
 Note 9 - Long Term Loans and Advances

Long Term Loans and Advances	As at 31st March 2016	As at 31st March 2015
	₹	₹
Other loans and advances <i>Unsecured, considered good</i>		
Income tax refund receivable	26,11,372	26,11,372
Advances Others	23	-
	26,11,395	26,11,372

Note 10 - Cash and Cash equivalents

Cash and cash equivalents	As at 31st March 2016		As at 31st March 2015	
	₹	₹	₹	₹
Balances with banks		37,15,860		9,46,294
		37,15,860		9,46,294



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Notes to Balance Sheet as at 31st March 2016

Note 7 - Fixed Assets

Fixed Assets	Gross Block			Accumulated Depreciation			Net Block	
	Balance as at 1st April 2015	Additions/ (Disposals)	Balance as at 31st March 2016	Balance as at 1st April 2015	Depreciation charge for the year	Balance as at 31st March 2016	Balance as at 31st March 2016	Balance as at 31st March 2015
	₹	₹	₹	₹	₹	₹	₹	₹
Tangible Assets - (Not Under Lease)								
Land	16,50,000	(16,50,000)	-	-	-	-	-	16,50,000
Total	16,50,000	(16,50,000)	-	-	-	-	-	16,50,000



Notes to Balance Sheet as at 31st March 2016

Note 8 - Non Current Investments

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Other Investments - Non Trade		
Investment in Equity instruments	60,00,000	50,00,000
Other non-current investments	8,03,21,316	6,14,17,634
Total	8,63,21,316	6,64,17,634

Particulars	As at 31st March 2016	As at 31st March 2015
	₹	₹
Aggregate amount of unquoted investments	8,63,21,316	6,64,17,634
Total	8,63,21,316	6,64,17,634

Details of Other Investments - Non Trade											
Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Extent of Holding (%)		Amount (₹)		Basis of Valuation
			As at 31st March 2016	As at 31st March 2015			As at 31st March 2016	As at 31st March 2015	As at 31st March 2016	As at 31st March 2015	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A)	Investment in Equity Instruments										
	Equity shares of ₹ 10 each in TVS Training and Services Limited, Chennai	Others	6,00,000	5,00,000	Unquoted		9.16%	7.63%	60,00,000	50,00,000	At cost
	Total								60,00,000	50,00,000	
B)	Cumulative Compulsorily Convertible Participating Preference Share of ₹ 10 each in Benani Foods Private Limited	Others	4226		Unquoted	Fully paid	100%		2,24,97,829		At cost
C)	Other non-current investments										
	Units of TVS Shriram Growth Fund-1A	Others	55,018	58,437	Unquoted	Fully paid	-	-	▲ 5,78,23,487	▲ 6,14,17,634	At cost
	Total								8,03,21,316	6,14,17,634	
	Grand Total								8,63,21,316	6,64,17,634	



PRIME PROPERTY HOLDINGS LIMITED

Jayalakshmi Estates, No: 29, Haddows Road, Chennai - 600 006

Notes to Statement of Profit and Loss for the Year ended 31st March 2016

Note 11 - Other Income

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
i) Interest on Fixed Deposit	3,05,093	-
ii) Interest on Advances	1,61,301	-
iii) Profit on Sale of Asset	83,50,000	-
iv) Capital Profit on redemption of TVS Shriram Growth Fund units (Refer note 10.1 below)	52,50,711	-
v) Interest on Income Tax refund	-	976
Total	1,40,67,105	976

Note 11.1: Represents capital profit on redemption of 3,420 units in TVS Shriram Growth Funds 1A arising out of Distribution received on sale of investments made by the Fund in the Equity Shares of DCB Bank Ltd. This amount is exempt from normal provisions of tax in accordance with Section 115UB of the Income Tax Act, 1961 read with provisions of Section 10(38).

Note 12 - Other expenses

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
a. Rates and taxes	10,846	5,000
b. Payments to the auditor as		
i) auditor	20,000	10,000
ii) for other services	5,000	5,000
iii) for reimbursement of expenses	3,625	1,854
c. Printing and Stationery	1,075	-
d. Bank charges	20	10
e. Professional Fees	15,77,873	57,694
Total	16,18,439	79,558

Directors

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
	₹	₹
Excess Provision for Tax Relating to earlier years written back	-	(9,077)
Income Tax for the year	65,00,000	-
Total	65,00,000	(9,077)



14. Notes forming part of accounts for the year ended 31st March 2016

- a 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.
- b The Company is following accrual basis of accounting on a going concern concept.
- c The Directors have waived their sitting fees payable to them for attending Board Meetings.
- d The Company adopts completed contract basis for the purpose of recognition of income from property development. There was no income from property development during the year.
- e The Company has no tax liability either under normal provisions or under Section 115JB of the Income Tax Act, 1961.
- f The Accounting Standards, to the extent they are applicable to the company have been complied with.
- g According to the information furnished to the company by its suppliers and service providers, there are no dues payable to Micro, Small and Medium Enterprises.
- h Previous year figures have been reclassified wherever necessary, to conform to current year's classification.

i **List of Related Parties**

Reporting Entity

Prime Property Holdings Limited, Chennai

A. Name of the Related Party

T.V. Sundaram Iyengar & Sons Private Limited, Madurai
 Sundaram Investment Limited, Chennai

Relationship

Holding Company of Sundaram Investment Limited, Chennai
 Holding Company of TVS Capital Funds Limited (Formerly TVS Investments Limited, Chennai). Holding Company of TVS Electronics Limited effective 14th Oct'13.

TVS Capital Funds Limited
 (Formerly TVS Investments Limited, Chennai)
 TVS Electronics Limited, Chennai

Holding Company of TVS Electronics Limited, Chennai till 13th Oct'13

Holding Company of the Reporting Entity

B. Related Party Transaction

1 i) Name of the Related Party

TVS Electronics Limited, Chennai


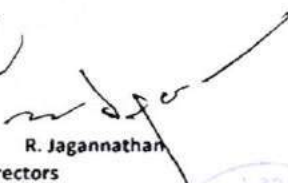
ii) Nature of Transaction

Repayment of dues
 Loan from Holding Company TVS Electronics Limited
 Interest on unsecured loan

	31.03.2016	31.03.2015
	Rs.	Rs.
	-	-
	1,50,00,000	-
	4,993	-

For and on behalf of the Board

As per our report of even date



 R S Raghavan R. Jagannathan
 Directors

For Raghu & Gopal
 Chartered Accountants
 Firm Registration No: 0033355


 A. Gopal
 Partner
 Membership No: F9035

Chennai
 29th April 2016



Prime Property Holdings Limited
Jayalakshmi Estates
29, Haddows Road, Chennai-600006

Cash Flow Statement for the year ended 31st March 2016

	Rupees	
	Year ended 31.03.2016	Year ended 31.03.2015
Cash Flow From Operating Activities		
Profit/(Loss) before Tax	1,24,42,623	(78,582)
Less:		
Profit on sale of assets	(83,50,000)	-
Proportionate cost of asset written off	-	-
Tax relating to earlier years	-	9,077
Income tax paid	(65,00,000)	-
Finance costs	6,043	-
Add:		
Provision for Wealth Tax	-	-
Operating Cash Flow before Working Capital changes	(24,01,334)	(69,505)
(Increase)/Decrease in Loans and Advances	99,977	(10,053)
(Increase)/Decrease in Trade Receivables	-	-
Increase/(Decrease) in Liabilities/Provisions	(19,352)	5,300
Net Cash Outflow in operating activities (A)	(23,20,709)	(74,258)
Cash Flow from Investing Activities		
Investments in units of Private Equity Fund (Net of redemption)	(1,99,03,682)	-
Sale of fixed assets	1,00,00,000	-
Net cash used in Investing Activities (B)	(99,03,682)	-
Inter Corporate Loan from Holding Company	1,50,00,000	-
Finance costs	(6,043)	-
Net Cash from financing activities (C)	1,49,93,957	-
Increase/(Decrease) in Cash and Cash Equivalent (A)+(B)	27,69,566	(74,258)
Opening Cash and cash equivalents as at 01.04.2015	9,46,294	10,20,552
Closing Cash and cash equivalents as at 31.03.2016	37,15,860	9,46,294
The above Statement has been prepared in Indirect method.		
Cash and Cash equivalent represents bank balance.		

For and on behalf of the Board

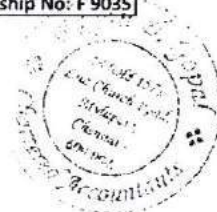
As per our report of even date

Chennai
29th April 2016

R S Raghavan R.Jagannathan
Directors

For Raghu & Gopal
Chartered Accountants
Firm Registration No: 0033355

A. Gopal
Partner
Membership No: F 9035



ANNEXURE -H

General information about company	
Scrip code	532513
Name of the entity	TVS Electronics Limited
Date of start of financial year	01-04-2016
Date of end of financial year	31-03-2017
Reporting Quarter	Half Yearly
Date of Report	30-09-2016
Risk management committee	Not Applicable

For TVS Electronics Limited


S. Nagalakshmi
Company Secretary



Annexure I														
Annexure I to be submitted by listed entity on quarterly basis														
I. Composition of Board of Directors														
Disclosure of notes on composition of board of directors explanatory														
Is there any change in information of board of directors compare to previous quarter												Yes		
Sr	Title (Mr / Ms)	Name of the Director	PAN	DIN	Category 1 of directors	Category 2 of directors	Category 3 of directors	Date of appointment in the current term	Date of cessation	Tenure of director (in months)	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee (s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)	Notes
1	Mr	Gopal Srinivasan	AADPG9543P	00177699	Non-Executive - Non Independent Director	Chairperson		18-07-2003			3	1	0	
2	Mrs	Srilalitha Gopal	ABMPG2234M	02329790	Non-Executive - Non Independent Director	Not Applicable		10-11-2011			1	1	0	
3	Mr	D Sundaram	AANPS7428P	00016304	Non-Executive - Non Independent Director	Not Applicable		30-07-2009			2	3	1	
4	Mr	R Ramaraj	AADPG9543P	00098379	Non-Executive - Non Independent Director	Not Applicable	Shareholder Director	01-04-2014		36	3	5	2	



Annexure I														
Annexure I to be submitted by listed entity on quarterly basis														
I. Composition of Board of Directors														
Sr	Title (Mr / Ms)	Name of the Director	PAN	DIN	Category 1 of directors	Category 2 of directors	Category 3 of directors	Date of appointment in the current term	Date of cessation	Tenure of director (in months)	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee (s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)	Notes
5	Mr	Praveen Chakravarty	AAPPP7908P	00766422	Non-Executive - Independent Director	Not Applicable		01-04-2014		60	1	1	1	
6	Mr	Kenneth Tai	ZZZZZ9999Z	01964412	Non-Executive - Independent Director	Not Applicable		01-04-2014		60	1	0	0	Textual Information (1)
7	Mr	Nagendra Palle	AKWPP6095Q	06964686	Non-Executive - Independent Director	Not Applicable		30-09-2014		60	1	1	0	
8	Mr	M Lakshminarayan	AAXPL6125G	00064750	Non-Executive - Independent Director	Not Applicable		06-05-2015		60	6	5	1	



Annexure I														
Annexure I to be submitted by listed entity on quarterly basis														
I. Composition of Board of Directors														
Sr	Title (Mr / Ms)	Name of the Director	PAN	DIN	Category 1 of directors	Category 2 of directors	Category 3 of directors	Date of appointment in the current term	Date of cessation	Tenure of director (in months)	No of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations)	Number of memberships in Audit/ Stakeholder Committee (s) including this listed entity (Refer Regulation 26(1) of Listing Regulations)	No of post of Chairperson in Audit/ Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations)	Notes
9	Mr	M F Farooqui	AAAPF2395P	01910054	Non-Executive - Independent Director	Not Applicable		06-05-2015		60	1	1	0	
10	Mr	Narayan K Seshadri	AAVPS2486D	00053563	Non-Executive - Non Independent Director	Not Applicable		06-05-2015			6	4	3	
11	Mr	R S Raghavan	AABPR5424L	00260912	Non-Executive - Non Independent Director	Not Applicable		04-05-2016			1	0	0	
12	Mr	K E Ranganathan	AABPR4567Q	00058990	Executive Director	Not Applicable	MD	06-02-2014	01-07-2016		1	0	0	



Text Block	
Textual Information(1)	Mr. Kenneth Tai is a foreign Director and he is not having PAN



Annexure 1			
Annexure 1			
III. Meeting of Board of Directors			
Disclosure of notes on meeting of board of directors explanatory			
Sr	Date(s) of meeting (if any) in the previous quarter	Date(s) of meeting (if any) in the current quarter	Maximum gap between any two consecutive (in number of days)
1	04-05-2016		
2		10-08-2016	97



Annexure 1							
IV. Meeting of Committees							
Disclosure of notes on meeting of committees explanatory							
Sr	Name of Committee	Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (Yes/No)	Requirement of Quorum met (details)	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days)	Name of other committee
1	Audit Committee	10-08-2016	Yes	Yes	04-05-2016	97	
2	Nomination and remuneration committee	10-08-2016	Yes	Yes	03-05-2016	98	
3	Stakeholders Relationship Committee	10-08-2016	Yes	Yes	04-05-2016	97	



Annexure 1			
V. Related Party Transactions			
Sr	Subject	Compliance status (Yes/No/NA)	If status is "No" details of non-compliance may be given here.
1	Whether prior approval of audit committee obtained	Yes	
2	Whether shareholder approval obtained for material RPT	NA	
3	Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee	Yes	



Annexure 1		
VI. Affirmations		
Sr	Subject	Compliance status (Yes/No)
1	The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015	Yes
2	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015 a. Audit Committee	Yes
3	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015. b. Nomination & remuneration committee	Yes
4	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015. c. Stakeholders relationship committee	Yes
5	The composition of the following committees is in terms of SEBI(Listing obligations and disclosure requirements) Regulations, 2015. d. Risk management committee (applicable to the top 100 listed entities)	NA
6	The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.	Yes
7	The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015.	Yes
8	This report and/or the report submitted in the previous quarter has been placed before Board of Directors.	Yes



Annexure III				
Annexure III to be submitted by listed entity at the end of 6 months after end of financial year along-with second quarter report of next financial year				
I. Affirmations				
Sr	Broad heading	Regulation Number	Compliance status (Yes/No/NA)	If status is "No" details of non-compliance may be given here.
1	Copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report, business responsibility report displayed on website	46(2)	Yes	
2	Presence of Chairperson of Audit Committee at the Annual General Meeting	18(1)(d)	Yes	
3	Presence of Chairperson of the nomination and remuneration committee at the annual general meeting	19(3)	Yes	
4	Whether "Corporate Governance Report" disclosed in Annual Report	34(3) read with para C of Schedule V	Yes	
Any other information to be provided				



Signatory Details	
Name of signatory	S Nagalakshmi
Designation of person	Company Secretary
Place	Chennai
Date	11-10-2016







**Compliance report with the requirements specified in SEBI Circular
CIR/CFD/CMD/16/2015 dated November 30, 2015**

Sub: Application under Regulation 37 of SEBI (LODR) Regulations, 2015 - Scheme of Amalgamation of Prime Property Holdings Limited (“the Transferor Company”) with TVS Electronics Limited (“the Transferee Company”)

In connection with the above application, we hereby confirm that we satisfy all the conditions as stipulated in the aforesaid SEBI circular, as given hereunder:

Sr. No.	Requirements as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Compliance Status (Yes / No)
1	Listed companies shall choose one of the stock exchanges having nation-wide trading terminals as the designated stock exchange for the purpose of coordinating with SEBI.	Yes. The Board of Directors of the Company, at their meeting held on 4 th May, 2016 has designed National Stock Exchange of India Limited as the designated Stock Exchange for the purpose of coordinating with SEBI
Compliance as per Para I (A) (3) of Annexure I to the Circular		
2	Documents to be submitted:	
2.a	Draft Scheme of arrangement/ amalgamation/ merger/ reconstruction/ reduction of capital, etc.	Yes. The draft Scheme of Amalgamation is enclosed
2.b	Valuation Report as per Para 1(A)(4) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Yes. Certificate received from M/s.Raghu & Gopal, Chartered Accountants, confirming the non-requirement of Valuation Report is enclosed
2.c	Report from the Audit Committee recommending the Draft Scheme	Yes. Report from the Audit Committee of Transferee Company, recommending the draft Scheme is enclosed



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Sr. No.	Requirements as per SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Compliance Status (Yes / No)
2.d	Fairness opinion by merchant banker	Yes. The Fairness opinion dated 17 th October, 2016 issued by M/s.Vivro Financial Services Private Limited, Merchant Banker is enclosed
2.e	Pre and post amalgamation shareholding pattern of unlisted company	Yes. There is no change in the shareholding pattern of Transferee Company, pre and post amalgamation since the Transferor Company is a Wholly Owned Subsidiary of Transferee Company. The entire 50,000 Equity Shares of Rs.10/- each of Transferor Company will be cancelled upon amalgamation and there will not be any post shareholding of Transferor Company The Pre and Post shareholding patterns are enclosed
2.f	Audited financials of last 3 years (financials not being more than 6 months old) of unlisted company;	Yes. The financial details of Transferor and Transferee Companies are enclosed
2.g	Auditor's Certificate as per Para 1(A)(5) of Annexure-I of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Yes. Auditors Certificate as per Para 1(A)(5) of Annexure-I is enclosed
2.h	Compliance with requirements of Regulation 17 to 27 of Listing Regulations	Yes. Certificate from the Company Secretary of the Company, confirming the compliance of Corporate Governance is enclosed



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2.i	Complaints Report as per Annexure III of SEBI Circular CIR/CFD/CMD/16/2015 dated November 30, 2015	Will be submitted within 7 days of expiry of 21 days from the date of filing of draft Scheme
Compliance as per Para I (A) (1) of Annexure I to the Circular		
3	The equity shares sought to be listed are proposed to be allotted by the unlisted Issuer (Transferee entity) to the holders of securities of a listed entity (Transferor entity) pursuant to a scheme of reconstruction or amalgamation (Scheme) sanctioned by a High Court under Section 391-394 of the Companies Act, 1956 or under Section 230-234 of the Companies Act, 2013	Not Applicable. Transferor Company is the Wholly Owned Subsidiary of Transferee Company and the shares will be cancelled post amalgamation. Hence further issue of shares does not arise
4	At least 25% of the post scheme paid up share capital of the Transferee entity shall comprise of shares allotted to the public holders in the Transferor entity.	
5	The Transferee entity will not issue/reissue any shares, not covered under the Draft scheme.	Yes. The Transferee Company will not issue / reissue any shares pursuant to the Scheme



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6	As on date of application there are no outstanding warrants/ instruments/ agreements which give right to any person to take the equity shares in the Transferee entity at any future date. If there are such instruments stipulated in the Draft scheme, the percentage referred to in point (4) above, shall be computed after giving effect to the consequent increase of capital on account of compulsory conversions outstanding as well as on the assumption that the options outstanding, if any, to subscribe for additional capital will be exercised.	Yes. There are no outstanding warrants / instruments / agreements
7	The shares of the Transferee entity issued in lieu of the locked-in shares of the Transferor entity are subjected to the lock-in for the remaining period.	Not Applicable. Transferor Company is the Wholly Owned Subsidiary of Transferee Company and hence the Transferee Company will not issue any shares
	Date	29 th December, 2016
	Place	Chennai
	Authorised Signatory and Stamp of the company	
	Name	S Nagalakshmi
	Designation	Company Secretary

**TVS Electronics Limited**

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To
The Board of Directors
TVS Electronics Limited
Jayalakshmi Estates
29, Haddows Road
Chennai – 600 006

CERTIFICATE BY THE STATUTORY AUDITORS OF TVS ELECTRONICS LIMITED
Non-applicability of Postal Ballot and e-Voting process

We, the Statutory Auditors of TVS Electronics Limited, have perused the Draft Scheme of Amalgamation of Prime Property Holdings Limited (Transferor Company) with TVS Electronics Limited (Transferee Company), the listed entity, and respective shareholders in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 (or such applicable provisions of the Companies Act 2013, as the case may be).

On the basis of information and explanation given to us, we certify the attached undertaking issued by TVS Electronics Limited for non-applicability of the requirements prescribed under Para 9 (**Approval of Shareholders to Scheme Through Postal Ballot and e-Voting**) of Annexure 1 to the Circular No. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("Circular") issued by the Securities and Exchange Board of India for the following reasons:

1. The Scheme envisages amalgamation of the Transferor Company (wholly owned subsidiary of the Transferee Company) with the Transferee Company.
2. The Scheme envisages that all the equity shares held by the Transferee Company and its Nominees in the Transferor Company shall be cancelled and extinguished upon the Scheme being sanctioned by the Hon'ble Court and become effective. Accordingly, the Scheme does **not** envisage any issue and allotment of shares by the Transferee Company to the shareholders of Transferor Company.

(P.T.O)

CERTIFICATE BY THE STATUTORY AUDITORS OF TVS ELECTRONICS LIMITED

Non-applicability of Postal Ballot and e-Voting process

3. There is **no** direct relationship between the Promoter namely TVS Investments Limited / Promoter Group of the Transferee Company and the Transferor Company and the relationship is only through the Transferee Company. Under the circumstances, any benefit that may arise on the proposed Amalgamation would be to the Transferee Company. Consequently, such a benefit if any would be to the advantage of all the shareholders of the Transferee Company. Hence, Para 9(a) (ii) does **not** apply.
4. The Scheme does **not** contemplate any of the processes envisaged under Para 9(a) (i) and Para 9(a) (iii) to the Circular.

Auditors' Responsibility

We conducted our examination in accordance with the 'Guidance Note on Audit Reports and Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further, our examination did not extend to any aspects of a legal or propriety nature in the aforesaid arrangement / scheme other than the matters referred to herein.

Approval of the Board

This Certificate is required to be duly approved by the Board of Directors of the Transferee Company as contemplated under Para 9(c) of the Circular cited herein above before submission to National Stock Exchange of India Limited and BSE Limited.

(P.T.O)

27 OCT 2016

CERTIFICATE BY THE STATUTORY AUDITORS OF TVS ELECTRONICS LIMITED

Non-applicability of Postal Ballot and e-Voting process

Restrictions on use

This certificate is issued at the request of TVS Electronics Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to National Stock Exchange of India Limited and BSE Limited. This certificate should **not** be used for any other purpose without our prior written consent.

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



M. Balasubramaniyam
Partner
Membership No.F-7945

Date: October 27, 2016
Place: Chennai

27/10/16



Certified true extract of the Resolution passed by the Board of Directors of TVS Electronics Limited at their meeting held on 2nd November, 2016 at Chennai

“RESOLVED THAT the draft of the Report of the Audit Committee for the approval of the Scheme of Amalgamation of Prime Property Holdings Limited, its Wholly Owned Subsidiary with the Company, as approved by the Audit Committee, be and is hereby approved for submission to the Stock Exchanges, Securities Exchange Board of India for getting the No Objection Letter.

RESOLVED FURTHER THAT the following were considered and taken on record:

- a. the report dated 11th October, 2016 of M/s. Raghu & Gopal, Chartered Accountants, certifying the non-applicability of valuation;
- b. the Fairness Opinion dated 17th October, 2016 of M/s. Vivro Financial Services Limited, a SEBI Registered Merchant Banker;
- c. the certificate dated 27th October, 2016 given by the Statutory Auditor of the Company, i.e. M/s. Sundaram & Srinivasan, Chartered Accountants, regarding non-applicability of Para 9 of Annexure 1 of Circular No.CIR/CFD/CMD/16/2015 dated 30th November, 2015 read with the SEBI (LODR) Regulations, 2015 be and is hereby approved on the basis of the following:
 - (i) The Scheme envisages amalgamation of the Transferor Company (wholly owned subsidiary of the Transferee Company) with the Transferee Company;
 - (ii) The Scheme envisages that all the equity shares held by the Transferee Company and its Nominees in the Transferor Company shall be cancelled and extinguished upon the Scheme being sanctioned by the Hon'ble Court and become effective. Accordingly, the Scheme does not envisage any issue and allotment of shares by the Transferee Company to the shareholders of Transferor Company;
 - (iii) There is no direct relationship between the Promoter namely TVS Investments Limited / Promoter Group of the Transferee Company and the Transferor Company and the relationship is only through the Transferee Company. Under the circumstances, any benefit that may arise on the proposed Amalgamation would be to the Transferee Company. Consequently, such a benefit if any would be to the advantage of all the shareholders of the Transferee Company. Hence, Para 9(a) (ii) does not apply; and





- (iv) The Scheme does not contemplate any of the processes envisaged under Para 9(a) (i) and Para 9(a) (iii) to the Circular.

RESOLVED FURTHER THAT Mr. Praveen Chakravarty, Chairman of the Audit Committee be and is hereby authorised to sign the Report for filing the same with the Stock Exchanges.

RESOLVED FURTHER THAT any of the Directors of the Company, Ms. S Nagalakshmi, Company Secretary of the Company be and are hereby jointly /severally authorized to execute such documents, agreements, certificates as may be required, co-ordinate with external advisors, consultants, merchant bankers, independent practicing professionals for the purpose of obtaining certificates, opinions and any other relevant documents and take necessary steps to file with the Stock Exchanges, where the shares of the Company are listed, Securities and Exchange Board of India, Registrar of Companies, High Court of Judicature at Madras or such other regulatory or statutory authorities as may be required and to do such other actions, things, deeds as may be required from to time to give effect to this resolution".

For TVS Electronics Limited

S Nagalakshmi
Company Secretary





Brief particulars of the Transferee and Transferor companies

Particulars	Transferee Company	Transferor Company
Name of the Company	TVS Electronics Limited	Prime Property Holdings Limited
Date of incorporation and details of name changes	<p>15th September, 1995</p> <p>a. Company was originally incorporated as "Indmark Infocom Private Limited" on 15th September 1995;</p> <p>b. became a Deemed Public Company on 1st March 1996;</p> <p>c. changed to "TVS eTechnology Limited" on 24th January 2001; and</p> <p>d. subsequently changed to TVS Electronics Limited on 25th August 2003.</p>	<p>9th November, 2007</p> <p>Prime Property Holdings Limited was incorporated on 9th November, 2007 as a wholly owned subsidiary of TVS Electronics Limited</p>
Registered Office	Jayalakshmi Estates, 29, Haddows Road, Chennai – 600 006	Jayalakshmi Estates, 29, Haddows Road, Chennai – 600 006
Brief particulars of the Scheme	The Scheme provides for amalgamation of Prime Property Holdings Limited with TVS Electronics Limited (i.e. amalgamation of a Wholly Owned Subsidiary with its Holding Company)	
Rationale for the Scheme	1. The Transferee Company holds the entire paid-up equity share capital of the Transferor Company from the date of incorporation and hence the Transferor Company is a Wholly Owned Subsidiary of the Transferee Company.	





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2. The Board of Directors of both the Transferor Company and the Transferee Company have decided to amalgamate the Transferor Company with Transferee Company in order to ensure better management of the Company as a single unit. The Board of Directors of both the Transferor Company and the Transferee Company are of the opinion that the proposed amalgamation of the Transferor Company with Transferee Company will be for the benefit of both the Transferor Company and Transferee Company in the following manner:
- (a) The Transferor Company is a wholly owned subsidiary of the Transferee Company and the amalgamation, which shall be benefited to the interest of the shareholders, employees and creditors, will result in legal integration of the business, reduction of the shareholding layers and direct control of assets of the Transferor Company in the hands of the Transferee Company;
 - (b) By the amalgamation, the administrative and operational costs will be considerably reduced and Transferee Company will be able to operate and run the Company more effectively and economically resulting in improved operational efficiencies arising out of more productive utilization of resources.
 - (c) Duplication of administrative functions will be eliminated together with the multiple record-keeping resulting in reduced expenditure.
 - (d) There is no likelihood that interests of any shareholder or creditor of either the Transferor Company or the Transferee Company would be prejudiced as a result of the Scheme. The Scheme of Amalgamation will not impose any additional burden on the members of the Transferor Company or the Transferee Company.
 - (e) Being the 100% owner of the Transferor Company, the amalgamation will improve the funds position of Transferee Company, which will help improve long term funds position of the Transferee Company.



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Particulars	Transferee Company	Transferor Company
Date of resolution passed by the Board of Directors of the Company approving the Scheme	4 th May, 2016	29 th April, 2016
Date of meeting of the Audit Committee in which the draft scheme has been approved	2 nd November, 2016	Not Applicable
Appointed Date	1 st April, 2016	
Name of Exchanges where securities of the company are listed	BSE and NSE	Not Applicable
Nature of Business	IT Peripherals Manufacturer, Transaction Automation IT Products & Solutions, Warranty and Repair Management Services and Distribution Services	Property development
Capital before the Scheme	<p>Authorised Share Capital: Rs.25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.10/- each</p> <p>Paid up Share Capital: Rs.18,61,28,180 divided into 1,86,12,818 Equity Shares of Rs.10/- each</p>	<p>Authorised Share Capital: Rs.5,00,000/- divided into 50,000 Equity Shares of Rs.10/- each</p> <p>Paid-up Share Capital: Rs.5,00,000/- divided into 50,000 Equity Shares of Rs.10/- each</p>
No. of shares to be issued	None	
Cancellation of shares on account of cross holding, if any	As the Transferor Company is a Wholly Owned Subsidiary of Transferee Company, all investments in Prime Property Holdings Limited would be cancelled pursuant amalgamation	There will be no shares issued pursuant to the amalgamation and the existing share capital of the Transferor Company held by the Transferee Company will be fully cancelled



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Particulars	Transferee Company	Transferor Company
Capital after the Scheme	No change in the shareholding pattern post amalgamation. Authorised Share Capital: Rs.25,00,00,000/- divided into 2,50,00,000 Equity Shares of Rs.10/- each Paid up capital: Rs.18,61,28,180 divided into 1,86,12,818 Equity Shares of Rs.10/- each	-
Net worth (as per the certificate attached)	(Rs. in lakhs) Transferee Company: Pre Rs.4,280.27 Post Rs.5,050.66	(Rs. in lakhs) Transferor Company: Pre - Rs.764.39 Post - Nil
Valuation by independent Chartered Accountant – Name of the Valuer / valuer firm and Registration Number	Valuation requirement is not applicable since no shares are to be issued pursuant to the amalgamation. This has been certified by M/s. Raghu & Gopal, Chartered Accountants (Firm Registration No.0033355)	
Methods of valuation and value per share arrived under each method with weight given to each method, if any.	Not Applicable	Not Applicable
Fair value per shares	Not Applicable	Not Applicable
Exchange ratio	Not Applicable	
Name of Merchant Banker giving fairness opinion	M/s.Vivro Financial Services Private Limited, Merchant Banker	

<u>Shareholding pattern of Transferee Company</u>	Pre		Post	
	No. of Shares	% of holding	No. of Shares	% of holding
Promoter	1,11,60,093	59.96	1,11,60,093	59.96
Public	74,52,725	40.04	74,52,725	40.04
Custodian	-	-	-	-
TOTAL	1,86,12,818	100.00	1,86,12,818	100.00
No. of Shareholders		24,208		24,208

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<u>Shareholding pattern of the Transferor Company</u>	Pre		Post
	No. of Shares	% of holding	
Promoter: TVS Electronics Limited (Transferee Company)	5,000	100	Nil
No. of Shareholders		7	-

Particulars	Transferee Company	Transferor Company
Names of the Promoters	TVS Investments Limited (Formerly Sundaram Investment Limited)	TVS Electronics Limited
Names of the Board of Directors	Mr. Gopal Srinivasan, Chairman Mrs. Srilalitha Gopal, Director Mr. D Sundaram, Director Mr. R Ramaraj, Director Mr. Praveen Chakravarty, Director Mr. Kenneth Tai, Director Dr. Nagendra Palle, Director Mr. M Lakshminarayan, Director Mr. M F Farooqui, Director Mr. Narayan K Seshadri, Director Mr. R S Raghavan, Director	Mr. R S Raghavan, Director Mr. R Jagannathan, Director Mr. T A Prasanna, Director
Details regarding change in management control if any	No change in management control	

For TVS Electronics Limited

S Nagalakshmi
Company Secretary



Date: 29th December, 2016

TVS Electronics Limited

South Phase 7A, Second Floor, Industrial Estates, Guindy, Chennai-600 032. Tel.: + 91-44-4200 5200 Fax : +91(44)2225 7577

Registered Office: Jayalakshmi Estate, New No.29, (Old No.8), Haddows Road, Chennai- 600 006.

Corporate Identity Number : L30007TN1995PLC032941

E-mail id : webmaster@tvs-e.in Website: www.tvs-e.in

ANNEXURE - M

To
The Board of Directors
TVS Electronics Limited
Jayalakshmi Estates
29, Haddows Road
Chennai – 600 006

**SCHEME OF AMALGAMATION - AUDITOR'S CERTIFICATE
NET WORTH PRE AND POST AMALGAMATION**

1. At the request of TVS Electronics Limited ("Transferee Company"), we have examined the computation of pre and post amalgamation net worth of the Company as at March 31, 2016.
2. It has been explained to us that as per the attached copy of the draft Scheme of Amalgamation ("Scheme") between TVS Electronics Limited ("Transferee Company") and Prime Property Holdings Limited ("Transferor Company") and their respective shareholders and creditors, the Company proposes to amalgamate the Transferor Company with itself, under Sections 391 to 394 of the Companies Act 1956 (or such applicable provisions of the Companies Act 2013, as the case may be) The Appointed Date of Amalgamation shall be on 1st April 2016 or such other date as may be modified by the Hon'ble High Court.
3. The account balances (Equity Share Capital Reserves and Surplus) used in the computation of pre amalgamation net worth of the Transferee Company as at March 31, 2016 has been traced from the audited books of accounts of the Transferee Company for year ended March 31, 2016 made available to us and the post amalgamation net worth of the Transferee Company has been computed considering the accounting treatment contained in Clause 12 of the Scheme, which is subject to the approval of Hon'ble High Court. As represented to us, the Scheme is proposed to be filed with the Hon'ble High Court of Madras.

(P.T.O)

**SCHEME OF AMALGAMATION - AUDITOR'S CERTIFICATE
NET WORTH PRE AND POST AMALGAMATION**

4. The accompanying figures of Net Worth are the responsibility of Company's management. Our responsibility is to verify the factual accuracy of the facts stated in the certificate. We conducted our examinations in accordance with the guidance notes on Audit reports and certificates for special purposes issued by the Institute of Chartered Accountants of India. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be the expression of an opinion on the financial statements, specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion.
5. Based on the procedures mentioned in paragraph 3 above and according to the information and explanation given to us and specific representation received from the management, we certify that the pre amalgamation Net Worth and the post amalgamation Net Worth of the Transferee Company as at **March 31, 2016** computed in accordance with paragraph 3 above is as noted below:

(Rs. in Lakhs)

Particulars	Pre-amalgamation	Post Amalgamation
Equity Share Capital	1,855.28	1,855.28
Free Reserves	2,424.99	3,189.38
Total Net Worth	4,280.27	5,044.66

6. Consequent to increase in Equity Share Capital on issue and allotment of 60,000 Equity Shares of Rs 10 each fully paid-up on **18th May 2016** the following would be ultimate Net Worth of the Transferee Company post Amalgamation computed in accordance with paragraph 3 above:

(Rs. in Lakhs)

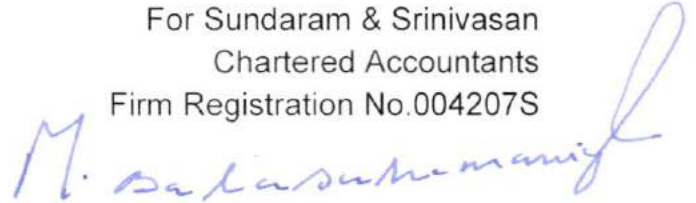
Particulars	Post Amalgamation
Equity Share Capital	1,861.28
Free Reserves	3,189.38
Total Net Worth	5,050.66

(P.T.O)

**SCHEME OF AMALGAMATION - AUDITOR'S CERTIFICATE
NET WORTH PRE AND POST AMALGAMATION**

7. "Net Worth" means the sum total of the paid-up capital, free reserves after deducting the provisions or expenses as may be prescribed.
8. This certificate is intended solely for the use of the management of the Company for the purpose of submission to the National Stock Exchange of India Limited and BSE Limited, and is **not** to be used, referred to or distributed for any other purpose without our prior written consent.

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



M. Balasubramaniyam
Partner
Membership No.F-7945

Date: October 27, 2016
Place: Chennai





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Details of Capital evolution of the transferee/resulting and transferor/demerged companies:

Details of Capital Evolution of TVS Electronics Limited (Transferee Company)

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
15.09.1995	20	10 each	Subscribers to MOA	20	No. Incorporated as a private company
23.09.2002	49,980	10 each	Preferential issue	50,000	Yes. Listed on 24.12.2003 as per Scheme of Amalgamation order of Hon'ble High Court of Madras dated 05.08.2003
28.10.2002	4,00,000	10 each	Preferential issue	4,50,000	
31.10.2002	1,30,000	10 each	Preferential issue	5,80,000	
02.07.2003	67,500	10 each	Preferential issue	6,47,500	
19.09.2003	1,70,25,318	10 each	Scheme of amalgamation.	1,76,72,818	
20.05.2013	3,50,000	10 each	Preferential issue	1,80,22,818	Yes. Listed on 24.7.2013
04.11.2015	5,30,000	10 each	ESOP Scheme 2011	1,85,52,818	Yes. Listed on 30.11.2015
18.05.2016	60,000	10 each	ESOP Scheme 2011	1,86,12,818	Yes. Listed on 30.5.2016

For TVS Electronics Limited


S Nagalakshmi
Company Secretary

Date: 29/12/2016



TVS Electronics Limited

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PRIME PROPERTY HOLDINGS LIMITED

Regd. Office: "Jayalakshmi Estates", # 29, Haddows Road, Chennai - 600 006.
Corporate Office : No.9,Second Floor,Murrays Gate Road, Alwarpet, Chennai - 600 018

CIN : U45200TN2007PLC065330

Ph: +91 044 42928500

**Details of Capital evolution of the Transferee/resulting and
Transferor/demerged companies:**

Details of Capital Evolution of Prime Property Holdings Limited (Transferor Company)

Date of Issue	No. of shares issued	Issue Price (Rs.)	Type of Issue (IPO/FPO/ Preferential Issue/ Scheme/ Bonus/ Rights, etc.)	Cumulative capital (No of shares)	Whether listed, if not listed, give reasons thereof
12.11.2007	50,000	5,00,000	Subscriber to MOA	50,000	No. Unlisted company

For Prime Property Holdings Limited


R S Raghavan
Director



Date: 29/12/2016



December 29, 2016

To,
The General Manager,
Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir,

Sub: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed scheme of Amalgamation of Prime Property Holdings Limited (“the Transferor Company”) with TVS Electronics Limited (“the Transferee Company”)

In connection with the above application, we hereby confirm that:

- a) The proposed scheme of amalgamation of Prime Property Holdings Limited (Transferor Company) with TVS Electronics Limited (Transferee Company) to be presented to the Hon'ble High Court at Madras or Tribunal does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956 / Companies Act, 2013, the rules, regulations and guidelines made under these Acts, and the provisions as explained in Regulation 11 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 or the requirements of BSE Limited.
- ~~b) In the explanatory statement to be forwarded by the company to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose:

 - ~~i) the pre and post arrangement or amalgamation (expected) capital structure and shareholding pattern and~~
 - ~~ii) the “fairness opinion” obtained from an Independent merchant banker on valuation of assets / shares done by the valuer for the company and unlisted company.~~
 - ~~iii) The Complaint report as per Annexure III.~~
 - ~~iv) The observation letter issued by the stock exchange – [b (i) to (iv) Not Applicable]~~~~
- c) The draft scheme of amalgamation/ arrangement together with all documents mentioned in Para I(A)(7)(a) of SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, has been disseminated on company's website as per Website link given hereunder: www.tvs-e.in/Investor Relations



Page 1 of 2

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- d) The company shall disclose the observation letter of the stock exchange on its website within 24 hours of receiving the same.
- e) ~~The company shall obtain shareholders' approval by way of special resolution passed through postal ballot/ e-voting. Further, the company shall proceed with the draft scheme only if the vote cast by the public shareholders in favor of the proposal is more than the number of votes cast by public shareholders against it (if applicable) – Not Applicable~~
- f) The documents filed by the Company with the Exchange are same/ similar/ identical in all respect, which have been filled by the Company with Registrar of Companies/SEBI/Reserve Bank of India, wherever applicable.
- g) There will be no alteration in the Share Capital of the unlisted Transferor Company from the one given in the draft scheme of amalgamation/ arrangement.

For TVS Electronics Limited

Nagalakshmi

**S. Nagalakshmi
Company Secretary**

Company Secretary

Date: 29th December, 2016

TVS Electronics Limited

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To
The Board of Directors
TVS Electronics Limited
Jayalakshmi Estates
29, Haddows Road
Chennai – 600 006

ANNEXURE - P

**SCHEME OF AMALGAMATION - AUDITOR'S CERTIFICATE
COMPLIANCE WITH APPLICABLE ACCOUNTING STANDARDS**

We, the Statutory Auditors of TVS Electronics Limited (hereinafter referred to as the "Transferee Company"), have examined the proposed accounting treatment specified in **Clause 12** (Accounting Treatment) of the Draft Scheme of Amalgamation (hereinafter referred to as the 'Scheme') of Prime Property Holdings Limited (hereinafter referred to as the "Transferor Company") with TVS Electronics Limited, in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 (or such other applicable provisions of the Companies Act, 2013, as the case may be) with particular reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Transferor and Transferee Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Transferee Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

(P.T.O)

**SCHEME OF AMALGAMATION - AUDITOR'S CERTIFICATE
COMPLIANCE WITH APPLICABLE ACCOUNTING STANDARDS**

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 2013.

This Certificate is issued at the request of TVS Electronics Limited pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission to the National Stock Exchange of India Limited and BSE Limited.

This certificate should **not** be used for any other purpose without our prior written consent.

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

M. Balasubramaniam
Partner
Membership No.F-7945

Date: October 27, 2016
Place: Chennai