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TVS ELECTRONICS LIMITED

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Board of Directors

Gopal Srinivasan	Chairman
H Lakshmanan	
D Sundaram	
R Ramaraj	
Balu Doraisamy	
Kenneth Tai	
Srilalitha Gopal	(From 10 th November, 2011)
Praveen Chakravarty	(From 10 th November, 2011)
S S Raman	(Upto 31 st December, 2011)
S R Vijayakar	(Upto 2 nd February, 2012)
R R Nair	(Upto 2 nd February, 2012)
Sridhar Mitta	(Upto 2 nd February, 2012)

Committees of the Board

Audit Committee

D Sundaram	Chairman
H Lakshmanan	
R Ramaraj	
Praveen Chakravarty	(From 10 th November, 2011)
S R Vijayakar	(Upto 2 nd February, 2012)
Sridhar Mitta	(Upto 2 nd February, 2012)

Investors' Grievance Committee

R Ramaraj	Chairman
H Lakshmanan	
D Sundaram	(From 2 nd February, 2012)
Gopal Srinivasan	(Upto 2 nd February, 2012)

Remuneration/Compensation Committee

Gopal Srinivasan	(From 2 nd February, 2012)
Balu Doraisamy	(From 2 nd February, 2012)
R Ramaraj	(From 2 nd February, 2012)
H Lakshmanan	
D Sundaram	
S R Vijayakar	(Upto 2 nd February, 2012)
R R Nair	(Upto 2 nd February, 2012)

Auditors

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

President & CEO

J N Sastry

Chief Financial Officer

N Yogeshwaran

Bankers

State Bank of Mysore
State Bank of Travancore
Canara Bank

Registered Office

"Jayalakshmi Estates"
29, Haddows Road
Chennai - 600 006
Tel: 91-44-28277155

Administrative Office

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

Plant

Uttarkhand - Plant I & II
No.E-12 & F-92, F-93,
Selaqui Industrial Estate
Selaqui, Dehradun, Uttarkhand
Tel: 0135 - 2698662/3

Share Transfer Agents

Sundaram - Clayton Limited,
22, Railway Colony III Street,
Mehta Nagar, Chennai - 600 029
Tel: 91-44-23741889, 23742939
Fax No: 91-44-23741889
E-mail: investorservices@tvse.in

Shares Listed at

Bombay Stock Exchange Limited
National Stock Exchange of India Limited

Financial Highlights - Ten Years at a glance

₹ in Lakhs

Sl. No	Particulars	2002*	2003	2004 [#] -2005	2005 -2006	2006 -2007	2007 [@] -2008	2008 -2009	2009 -2010	2010 -2011	2011 ³ -2012
1.	PROFIT AND LOSS ACCOUNT										
	Revenue from operations	2,316	26,151	31,574	25,950	27,242	20,764	19,067	19,040	18,162	21,661
	Other Income	54	400	166	623	472	765	473	407	199	375
	Total Income	2,370	26,551	31,740	26,573	27,714	21,529	19,540	19,447	18,361	22,036
	Earnings before interest										
	Depreciation and Tax (EBITDA)	223	1,515	1,773	1,631	1,652	2,615	439	666	1,083	1,303
	Depreciation	69	521	754	743	702	522	476	449	396	504
	Profit before Interest and Tax (EBIT)	154	994	1,019	888	950	2,093	(37)	217	686	799
	Finance costs	58	508	470	600	764	603	522	721	623	659
	PBT	96	486	549	288	186	1,490	(559)	(504)	64	141
	Tax Expense	34	121	121	(27)	-	380	211	(161)	(90)	1
	PAT	62	365	428	315	186	1,110	(770)	(343)	154	140
2.	BALANCE SHEET										
	Share Capital	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,787
	Reserves & Surplus	1,696	1,935	2,196	2,354	2,371	3,296	2,523	2,176	2,324	2,464
	Networth	3,463	3,702	3,963	4,121	4,138	5,063	4,290	3,943	4,091	4,251
	Loan Funds	7,507	6,994	6,538	8,860	8,909	4,538	5,738	6,133	4,498	6,608
	Capital Employed	10,970	10,696	10,501	12,981	13,047	9,601	10,028	10,076	8,589	10,859
	Deferred Tax Liability	355	370	452	298	197	158	202	184	81	48
	Total	11,325	11,066	10,953	13,279	13,244	9,759	10,230	10,260	8,670	10,907
	Net Fixed Assets	4,619	5,036	5,518	3,864	3,397	2,393	2,422	2,135	1,685	4,929
	Investments	1,687	1,636	1,637	1,642	1,692	626	1,501	1,501	2,551	811
	Current Assets	10,692	12,422	11,000	12,815	13,090	10,596	10,828	9,827	7,526	9,445
	Current Liabilities & Provisions	5,673	8,028	7,202	5,042	4,935	3,856	4,521	3,203	3,091	4,278
	Net Current Assets	5,019	4,394	3,798	7,773	8,155	6,740	6,307	6,624	4,434	5,167
	Total	11,325	11,066	10,953	13,279	13,244	9,759	10,230	10,260	8,670	10,907
3.	RATIOS										
	a) EPS (₹)	5.2	2.1	2.4	1.8	1.1	6.3	(4.4)	(2.0)	0.9	0.8
	b) Dividend (%)	7.5	7.5	9.0	7.5	7.5	10.0	-	-	-	-
	c) Book Value per Share (₹)	20	21	22	23	23	29	24	22	23	24
	d) Return on Capital Employed (ROCE %)	1.4%	9.3%	9.7%	6.8%	7.3%	21.8%	(0.4)%	2.2%	8.0%	7.4%
	e) Return on networth (RONW %)	1.8%	9.9%	10.8%	7.7%	4.5%	21.9%	(18)%	(8.7)%	3.8%	3.3%
	f) Fixed Asset Turnover Ratio	0.6	5.4	6.0	5.5	7.5	7.2	7.9	8.4	9.5	6.6
	g) Working Capital Turnover Ratio	0.4	5.6	7.7	4.5	3.4	2.8	2.9	2.9	3.3	4.5
	h) Debt Equity Ratio	2.2	1.9	1.6	2.1	2.2	0.9	1.3	1.6	1.1	1.6
	i) EBITDA as % of Sales	9.6%	5.8%	5.6%	6.3%	6.1%	12.6%	2.3%	3.5%	6.0%	6.0%
	j) EBIT as % of Sales	6.6%	3.8%	3.2%	3.4%	3.5%	10.1%	(0.2)%	1.1%	3.8%	3.7%
	k) Net Profit as % of Total Income	2.6%	1.4%	1.3%	1.2%	0.7%	5.2%	(3.9)%	(1.8)%	0.8%	0.6%
	l) R&D (Revenue and Capital) Expenditure as a % of Total Income	0.8%	1.3%	1.8%	1.7%	1.3%	1.5%	1.9%	1.1%	0.7%	0.5%

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.

* The financial results for the year 2002 include the effects of two mergers made effective 1st November, 2002 (Four Companies) and 9th December, 2002 (TVS Electronics Limited) for the period post effective dates of merger and hence they are not comparable.

Figures of 2004-05 are for the period of 15 months due to change of Accounting Year end from December to March.

@ EBITDA for 2007-08 includes Extraordinary income of ₹1,560 Lakhs arising out of sale of business and sale of property.

• PBT is after exceptional item of expenditure for the FY 2011-12 - ₹ 20.61 Lakhs (Previous Year - ₹ 62.25 Lakhs) and Loss from discontinuing operation for FY 2011-12 NIL (Previous Year - ₹ 25 Lakhs). The financial results for the year 2010 - 11 have been regrouped/reclassified wherever necessary as per the requirements of revised Schedule VI.

\$ 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.



NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventeenth Annual General Meeting of the Company will be held at Sri Thyaga Brahma Gana Sabha (Vani Mahal), No. 103, G N Chetty Road, T.Nagar, Chennai - 600 017, on Saturday, the 4th August, 2012 at 10:35 AM to transact the following business.

ORDINARY BUSINESS

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

“RESOLVED THAT the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account of the Company for the year ended on that date, together with the Directors’ Report and the Auditors’ Report thereon as presented to the meeting be and the same are hereby approved and adopted”.

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

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

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

“RESOLVED THAT Mr. H Lakshmanan who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company”.

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

“RESOLVED THAT the retiring Auditors, 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 on such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Praveen Chakravarty be and is hereby appointed as a Director of the Company liable to retire by rotation”.

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

“RESOLVED THAT Mrs. Srilalitha Gopal be and is hereby appointed as a Director of the Company liable to retire by rotation”.

7. To consider and if thought fit to pass, with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by addition of Article 193 after the existing Article 192 as given below:

E-GOVERNANCE

(193) The regulations contained herein shall always be construed as facilitating and promoting e-governance and other socio-economic initiatives envisaged through statutes, policy pronouncements or in any other manner and accordingly:

(a) Notices convening meetings of the Board of Directors or any Committee thereof and notices for passing resolutions by circulation amongst the Directors/ Committee Members, together with the agenda papers and other relevant annexures/ enclosures, may be sent to the Directors/ Committee Members and other persons entitled thereto, through e-mail to the e-mail address furnished by them for the purpose or through such other electronic means as may be statutorily permissible or recognised.

(b) Meetings of the Board of Directors or a Committee thereof may be held with participation of one or more directors through video-conferencing or through such other electronic means as may be statutorily permissible or recognised. The Director(s)/ Committee Member(s) so participating in a Board or Committee meeting validly held shall have the right to vote and will count for the purpose of quorum.

(c) Notices convening General Meetings, including Annual General Meetings, together with the required annexures/ enclosures/ attachments (including the Annual Report) may be sent to the members and other persons entitled thereto through e-mail to the e-mail address registered by them with the Company/ Depositories for the purpose or through such other electronic means as may be statutorily permissible or recognised.

(d) The Company may permit and provide facilities for participation of Shareholders in General Meetings through video-conferencing or through such other electronic means as may be statutorily permissible or recognised. The Shareholders

NOTICE TO THE SHAREHOLDERS (Contd.)

so participating in a General Meeting shall have the right to discuss and vote on the business transacted thereat; but they shall not count for the purpose of minimum quorum required for a General Meeting, unless statutorily permitted.

(e) The Company may, for the purpose of voting by the members at a General Meeting either by show of hands or on a poll and also for voting in a postal ballot process, provide for voting on an electronic platform or through e-mail or other electronic means in such manner as may be permitted or recognized under any statute.

(f) The Company may keep and maintain statutory registers, documents and information as electronic records, to be authenticated wherever required by a duly authorised officer. Where any document is required to be sent to any person, service may be effected through e-mail to the e-mail address intimated or registered by those persons for the purpose.

(g) References in these regulations to electronic means, electronic records, electronic platform, video-conferencing and other relevant terms, either generally or specifically and the legal validity thereof shall be construed with reference to the Information Technology Act, 2000, notifications / circulars issued by the Ministry of Corporate Affairs, Government of India and other applicable statutory provisions, as may be prevailing from time to time”.

By Order of the Board

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

Gopal Srinivasan
Chairman

19th June, 2012

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. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notarially certified copy of that Power of Attorney 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.**
2. The relative Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the Special Businesses as set out in the Notice is annexed hereto.
3. The Register of Members and the share transfer books of the Company will remain closed from Wednesday, 1st August, 2012 to Saturday, 4th August, 2012, both days inclusive.
4. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividends declared by the Company, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.

Members who have not encashed their dividend warrants are requested to make their claim(s) to the Company by surrendering the unencashed warrants immediately.
5. Members holding shares in physical form, in their own interest, are requested to dematerialise the shares to avail the benefits of electronic holding and trading.
6. Members holding shares in physical form are requested to notify immediately any change in their address/e-mail address to the Company/its Share Transfer Agents. Members holding shares in electronic form are requested to advice change of address/e-mail address to their Depository Participants.
7. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting.
8. Members are requested to sign at the space provided on the attendance slip and hand over the same at the entrance of the meeting hall.
9. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a ‘Green Initiative in Corporate Governance’ and allowed companies to serve documents on its shareholders through electronic mode. Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialised form with their respective Depository Participants and in respect of shares held in physical form with Company/its Share Transfer Agents.



NOTICE TO THE SHAREHOLDERS (Contd.)

10. In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a brief resume of Directors who are proposed to be appointed/re-appointed at this meeting, nature of their expertise in specific functional areas, their other Directorships and Committee Memberships, (only Audit Committee and Shareholders'/Investors' Grievances Committee) their shareholding in the Company and relationships between directors inter-se are given below:

MR. D SUNDARAM

Mr. D Sundaram is a Fellow Member of the Institute of Cost Accountants of India and a Post Graduate in Management Studies. He has done Advanced Management Programme at Harvard Business School. Mr. D Sundaram has handled various assignments in his career in Unilever both in India (HUL) and in London (Unilever, plc). He was the Sr. VP for Finance and IT at London for South Asia, Middle East and

North Africa between 1996 to 1999 and came back to India to be the Finance Director / CFO from 1999 to 2009.

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

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

Details of Mr. Sundaram's other Directorships and Memberships/Chairmanships of Committees are given below:

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

MR. H LAKSHMANAN

Born on 14th August, 1933, Mr. H Lakshmanan is a Company Executive with a vast experience. He joined the TVS Group in 1953. He became the Executive Director of Sundaram - Clayton Limited in 1982 and continues to hold the position. He has rich experience, expertise and knowledge in the areas

of Finance, HR, Industrial Relations, Business Administration and Management.

Mr. H Lakshmanan holds 350 Equity Shares in the Company. He is not related to any Director of the Company.

Details of Mr. H Lakshmanan's other Directorships and Memberships/Chairmanships of Committees are given below:

NOTICE TO THE SHAREHOLDERS (Contd.)

S. No.	Name of the Company	Nature of Interest	Committee Memberships/ Chairmanships
1.	TVS Motor Company Limited	Director	-
2.	Harita Seating Systems Limited	Chairman	Chairman, Investors' Grievance Committee and Chairman, Audit Committee
3.	Anusha Investments Limited	Whole time Director	Member, Audit Committee
4.	Sundaram Auto Components Limited	Director	Chairman, Audit committee
5.	TVS Finance and Services Limited	Director	Member, Audit Committee
6.	TVS Investments Limited	Director	Member, Audit Committee
7.	TVS Capital Funds Limited	Director	-
8.	Harita- NTI Limited	Director	-
9.	Harita Techserv Limited	Director	Chairman, Audit Committee
10.	TVS Motor Services Limited	Director	-
11.	Harita Fehrer Limited	Director	Member, Audit Committee
12.	TVS Energy Limited	Director	-
13.	TVS Housing Limited	Director	-
14.	TVS Training and Services Limited	Director	-
15.	TVS Motor (Singapore) Pte Limited	Director	-
16.	TVS Motor Company (Europe) B.V, Netherlands	Director	-
17.	PT TVS Motor Company Indonesia	Commissioner	-
18.	Harita Properties Private Limited	Director	-
19.	Harita Interiors Private Limited	Director	-
20.	Lakson Technology Private Limited	Director	-

MR. PRAVEEN CHAKRAVARTY

Born on 21st July, 1973, Mr. Praveen Chakravarty is a senior financial services professional of repute, public policy enthusiast and an active angel investor.

He is the CEO of Anand Rathi Advisors, a growth focused investment bank. Prior to his current role, he was on an assignment with the Unique Identity Authority of India (UIDAI) under the Chairmanship of Mr. Nandan Nilekani.

Mr. Praveen received his MBA degree from the Wharton School and his undergraduate degree from BITS, Pilani.

Mr. Praveen does not hold any Shares in the Company. He is not related to any other Director of the Company. Details of Mr. Praveen's other Directorships and Memberships/Chairmanships of Committees are given below:



NOTICE TO THE SHAREHOLDERS (Contd.)

S. No.	Name of the Company	Nature of Interest	Committee Memberships/ Chairmanships
1.	BSE Institute Limited	Director	-
2.	Mejjo, Mumbai	Board Member	-
3.	Centre for Civil Society	Member of the Board of Advisors	-
4.	PRS Legislative Research	Member	-
5.	Mumbai Angels	Co-Founder	-

MRS. SRILALITHA GOPAL

Mrs. Srilalitha Gopal, born on 27th May, 1967, is an Engineering Graduate in Computer Science from IISc, Bengaluru.

She is the Managing Director of Harita Techserv Limited (HTL). Her direction has enabled the growth of the business of HTL to become one of the most preferred design engineering and talent services partners, ensuring success for every stakeholder of HTL. The appointment of Mrs. Srilalitha Gopal will be useful to the Company when the Company has taken over the

services business and is expanding to other IT products especially in the Point of Sale domain and reaching to institutional and other retail customers. She provides active directional support to the TVS group cluster of companies in their CSR initiatives.

Mrs. Srilalitha Gopal does not hold any Shares in the Company. She is the spouse of Mr. Gopal Srinivasan, Chairman of the Company.

Details of Mrs. Srilalitha's other Directorships and Memberships/Chairmanships of Committees are given below:

S. No.	Name of the Company	Nature of Interest	Committee Memberships/ Chairmanships
1.	Harita Techserv Limited	Managing Director	-
2.	Harita Academy Limited	Director	-

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

The following explanatory statement sets out all material facts relating to special businesses mentioned in the accompanying Notice dated 19th June, 2012 and shall be taken as forming part of the Notice.

Item No.5

Mr. Praveen Chakravarty was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 10th November, 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Praveen Chakravarty holds office upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member, along with a deposit of Rs. 500/- signifying his intension to propose the appointment of Mr. Praveen Chakravarty as a Director of the Company.

The resolution proposing Mr. Praveen Chakravarty's appointment as a Director is submitted to the meeting for consideration.

As a person with rich experience in technology and financial services with active involvement in financial inclusion initiatives, the appointment of Mr. Praveen Chakravarty to the Board is considered very valuable to the Company which has taken strategic initiatives to expand the product profile and expand to solutions and services. The Directors recommend the said resolution to be approved as an ordinary resolution by the shareholders.

None of the Directors, except Mr. Praveen Chakravarty, is deemed to be concerned or interested in the resolution.

Item No.6

Mrs. Srilalitha Gopal was appointed as an Additional Director of the Company at the meeting of the Board

NOTICE TO THE SHAREHOLDERS (Contd.)

of Directors held on 10th November, 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mrs. Srilalitha Gopal holds office only upto the date of the ensuing Annual General Meeting. The Company has received a Notice under Section 257 of the Companies Act, 1956 from a Member, along with a deposit of Rs. 500/- signifying his intension to propose the appointment of Mrs. Srilalitha Gopal as a Director of the Company.

The resolution proposing Mrs. Srilalitha Gopal's appointment as a Director is submitted to the meeting for consideration.

The appointment of Mrs. Srilalitha Gopal to the Board is considered very valuable to the Company given her wide and rich experience. The Directors recommend the said resolution to be approved as an ordinary resolution by the shareholders.

Mrs. Srilalitha Gopal and Mr. Gopal Srinivasan are deemed to be concerned or interested in the resolution.

Item No.7

The Ministry of Corporate Affairs has been promoting various E-governance initiatives duly recognizing technological advancements and for allowing paperless compliance under the Companies Act, 1956.

Keeping in tune with those initiatives as well as the technological advancements and the need to participate

in environment friendly measures, certain alterations with regard to electronic governance are proposed as an addition to the existing Articles of Association (AOA) of the Company.

These alterations embodied in the form of an additional regulations, seek to empower the Company to leverage on the various electronic means for statutory compliance in tune with its own electronic governance policy.

The Board recommends the special resolution for the approval of the Members, considering its positive impact on the environmental and technological outlook for the Company.

None of the Directors are in any way, directly or indirectly concerned or interested in the resolution.

The proposed alteration and the existing Articles of Association are available for inspection at the Registered Office of the Company, during working hours, till the date of the meeting.

By Order of the Board

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

19th June, 2012

Gopal Srinivasan
Chairman



Directors' Report to the Shareholders

The Directors hereby present their Seventeenth Annual Report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2012.

Financial Results

The highlights of the financial performance of the Company are as follows: (Rs. in Lakhs)

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Sales and other income	22,036	18,361
Earnings Before Interest & Tax (EBIT)	820	774
Profit/ (Loss) Before Tax (PBT) before exceptional items	161	151
Exceptional Items	(21)	(62)
Profit / (Loss) Before Tax	141	89
Loss from Discontinuing Operations	-	(25)
Profit / (Loss) after Tax (PAT)	140	154
Add: Brought forward from previous year	589	435
Total available for appropriations	729	589
Surplus in Profit and Loss account	729	589

Business results and key highlights of operations

For the year ended 31st March, 2012, the Company reported Sales Revenue and Other Income of Rs.220 Cr as against Rs.184 Cr in the previous year. Sales include Rs.23.33 Cr from Services business taken over from TVS-E Servicetec Ltd effective 1st October 2011.

The Company has in the last two years significantly improved its presence in the "Point of Sale and Transaction Management Products" business consisting of Receipt and Invoice Printers, Label Printers, Bar Code Scanners, POS systems & terminals (Cash Registers), Key Board and accessories. Significant growth has been seen as compared to previous year in this category. On Point of Sale and Transaction Management products and solutions, the Company has evolved more direct customer engagement to grow its business.

During the second half of the year, the Company increased focus on Channel Engagement and Service improvement for its customer base, which has shown results better than the first half of the year.

The overall Dot Matrix Printer (DMP) market shrunk between

3-4% in the year both in terms of volume and value. Going forward, the Company believes that there should be increased focus on revenue mix and supplies business.

Due to sustained focus on cost and cash management exercise, the Earnings before Interest and Tax (EBIT) for the year improved to Rs.8.20 Cr as against Rs.7.74 Cr in previous year.

The Company has over the years built internal capability for extensive customization and standardization of the products to suit diverse and demanding Indian conditions. The Company has also built robust Service and Support infrastructure as a key differentiator for driving growth. The Company has made substantial progress as a key hardware provider for the Point of Sale market segment.

From the overall operational excellence perspective, the Company continues to drive aggressively the Total Quality and Cost Management initiatives with lean manufacturing principles to reduce variable and fixed costs continuously.

Growing the business

The Board of Directors of the Company in their Report for the Year 2010-11 had articulated the Industry Outlook, emerging trends in the Industry and key initiatives taken by the Company to move into a higher growth trajectory. The Company has taken initiatives as part of its growth strategy to provide more effective and relevant products appropriate for the customers with a view to grow the Company and extending its activities to encompass the Transaction and Authentication businesses as part of the growth strategy.

Around this strategy, the Company proposes to build additional products to expand market for the payment industry along with improvements to Transaction and Authentication Products. This transformation process is being carried out under the guidance of Strategic Advisors who form a part of the Transformation Steering Group.

The proposal envisages building more comprehensive and competitive product offering and matching services capabilities for customers in the Banking and Financial Services, Hospitality, Healthcare and Retail segments. In support of this growth strategy, the Company have acquired the Services business from TVS-E Servicetec Ltd. TVS-E Servicetec Ltd is an established player in providing warranty management, AMC and other repair services. Their client list includes leading brand owners in IT, Banking, Telecom and other corporate customers. During the past 5 years, they had built an excellent and sustainable business with leading brand owners in these segments and have also built robust infrastructure consisting of

Directors' Report to the Shareholders (Contd.)

- Technology platform, customer relationship and management applications to handle large call volumes and remote diagnostics
- Partner network across India with over 200 Authorized Service Partners.
- Qualified and experienced human resources, which will benefit the Buyer in its other business initiatives.
- Repair factory, Repair centres, Call centre & Warehouses.
- Expertise in managing the business of Services and a wealth of experience and knowledge acquired in managing the customer's requirements.

The above acquisition, in addition to its current business, brings in value addition by means of its strategic fit. This will bring synergy towards Cost management with integrated common services.

This acquisition not only provides incremental top line to the Company but also delivers sustainable profit margins consistent with the industry trends. In addition the following benefits and value creation are likely to accrue to the Company:

- Better placement for getting qualified in tenders
- Additional AMC and supplies revenue from the TVSE customers (post warranty)
- Expansion of Services business with new customer brands
- Cross functional cost optimisation from the integration.

The above acquisition in addition to its current business brings in value addition by means of its strategic fit and the Company is closely working on the growth with a leading Strategic Advisor in this regard to implement the growth strategies.

The Company is confident that all these initiatives will yield the desired results that will provide value to the shareholders who continue to maintain their trust in us. The Company will sustain its efforts to deliver improved results coming from initiatives such as

- Increased penetration in to the Point of Sale market
- Transforming sales to match with the product categories
- Strengthening existing product portfolio
- Introducing new products for payment industry (Micro ATMs /financial inclusion).

MANAGEMENT DISCUSSION AND ANALYSIS

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

A. The Industry and Trends Macro Economic Environment

One of the key factors impacting the industry is the depreciating rupee and higher inflation which affect the IT spend of our customers. While the customers show sustained interest in the Company's products, the Company is challenged by severe pricing pressure. While the economy continues to pose challenges, the retail industry is expanding and there are enough opportunities to grow. Recent government policy and the RBI decision to allow brand neutral ATM by NBFCs provides enhanced opportunities for the Company.

Significant allocation for infrastructure and other related initiatives will drive further growth. Government's initiatives on Rural Broadband connectivity to all Panchayats in the country will also drive IT penetration. Increased allocation to education and banking facilities to all inhabitants are some positive drivers.

Industry Outlook

The overall PC sales (Desktop + Notebook) in the first half of the year clocked a growth of 59% as compared with the same period last year. Improved retail market growth coupled with the growth in to smaller cities are the key drivers for growth.

Some key trends

- At retail level: There has been an explosion of modern retailing. In Metro cities, contribution by modern retail format is estimated to be 28% and it is growing at a rapid pace. Organized retail is expected to grow at 35-40% CAGR.
- At business level: Increase in PC penetration in business establishments continues at a healthy rate. Corporate growth is driven by growth in Small Medium Enterprises / Businesses, computerization of various business processes and statutory requirement like taxation, etc.

Stability in policy frame-work is critical for sustenance and growth of business. Though overall sentiment for IT Hardware business remains sluggish, sectors like Retail, Hospitality, Manufacturing, Logistics & Transportation, Health Care, Banking, Financial Services & Insurance and e-Governance & Education are expected to accelerate their IT spends given their focus to increase their products and services penetration into Heart of India. Small format or Mini printers (less than 10") with other peripherals for POS are likely to play a key role in this growth phase.



Directors' Report to the Shareholders (Contd.)

Growth of retail and increased IT spend by the industry offers opportunity for the Company in the POS product category and solutions space in Banking and e-Governance areas. There are more than 15 million unorganized shops and establishments in the country that need digitization. Consistent with the Company's theme of 'Taking IT to the Heart of India' the Company believes that customers prefer products that operate in humid and dusty environment with lowest cost of ownership and yet provide ease of operation and capability in Indian languages. With an enviable market reach as an advantage, the Company has introduced "Indi POS" range of products with the theme "The touch point of India" that not only meet the needs of customers but also provide cost effective support.

With the estimated expansion of economy in the coming years and consequent expansion in the market for products like smart phones, ATMs etc., there is growing demand for warranty business and it is expected to grow significantly and as a national service provider with a country wide net work that we have and the expertise, there is potential for growing maintenance and repair services in the B2B and B2O and B2C segments.

B. Business Risks & Opportunities

Economic growth of India and the attendant expansion of domestic demand and consumption leads to a significant need for data capturing, authentication processing and disseminating information. In every segment of the economy the above need is increasingly becoming critical for success of businesses. The banking sector with its Financial Inclusion objective, organized retail with a need to penetrate more markets, logistics and supply chain wanting to efficiently reach more products and many other businesses with similar objectives are keen to increase automation right from the point of capture of data. Consequently, demand for many types of digital devices and services is expected to dramatically expand.

Recognising the changing mix and greater emphasis on products and services even from small and medium enterprises, the Company has embarked on a transformation process and is building product and services for customers in sectors like Banking, Financial Services, Retail, Hospitality and Healthcare. At the same time, the Company's classic DMP product range is expected to sustain its position as a low cost printing device. The Company's strategy going forth is to

capture revenue and margins through the entire life cycle of devices for data capture and information dissemination.

- The key imperatives of the Company during 2012-13 will be to sustain the current revenue streams, build strategic framework to go beyond product with engagement in data capture, processing and dissemination activities for value enhancement to customers across segments and products, continue focus on cost and renew engagement in Human Resources Development for retaining and refreshing key leadership talents in the journey towards growth.
- Going forward, the Company's key focus area will be to provide significant value addition to customers across the value chain for their business success. Towards this, each of the customer segments, such as Retail, Hospitality, Manufacturing & Logistics, Healthcare, Banking, Finance Services & Insurance and e-Governance & Education, will be addressed comprehensively. The Company will expand its current reach in to direct consumers, National System Integrators (NSIs), Local System Integrators (LSIs) and Channel Partners comprehensively. The Company will also cover key influencers, like, software solution partners in a structured way for their share of mind and proactive referrals.
- POS domain has high potential to grow with large stakes and investments taking place in the Indian IT landscape as explained earlier. The Company is making appropriate investments in high quality products and service capabilities to exploit these growing opportunities. The Company has entered into strategic relationships with core technology leaders in Japan, Taiwan and Korea to offer cutting edge products covering POS printing, automatic identification devices (bar coding), POS Terminals, Systems etc.
- To sustain and grow the business, the Company recognizes the need for additional demand generation programs to augment the current Go to Market model.

C. Internal Control Systems and Risk Management

The Company has robust and adequate internal control systems to ensure that all the assets of the Company are safe-guarded and protected against any loss and all the transactions are properly authorized, recorded and reported. The key processes are aligned with ISO9001:2008 system and audited periodically for compliance.

Directors' Report to the Shareholders (Contd.)

The Audit Committee of the Board reviews the findings and recommendations of the internal auditors periodically. The Company follows the policy of fully hedging forex risk on its imports by taking full cover. The Risk management frame work covering business, operational and financial risks is being continuously reviewed.

D. Business Planning and Information Technology

The Company leverages its IT investment to drive robust business planning processes. The Company benefits from the SAP system especially with shortened planning cycles helping the Company to align to the requirements of market and customers.

E. Human Resource Development

Performance and Leadership are the cornerstones for HR in the organization. As on 31st March, 2012, the Company had 671 employees. Significant investment is made on employees through extensive training and development programs. Good amount of resources have been invested to drive and embrace Change Management processes across the organization to create performance and growth focus. The overall performance management processes supported by the Company's talent management programs now cover the entire organization and are constantly being reviewed for their effectiveness. The Company has invested in IT infrastructure covering HR processes with significant benefits thereof. Induction of fresh talent from recognised Universities and Colleges at various levels remains an important theme. Training inputs include periodic interaction with domain experts particularly in the areas of Total Quality Management. The Company focuses on attracting the best talent and blends successfully the mid-career recruitment with internally grown talents. A reward and recognition system is in place to motivate and provide fast track growth for high potential employees.

F. Safety

Safety of products to customers and safe manufacturing practices are both critical parts of the Company's value system. Training and audits are conducted frequently during the year. The Company maintains consistent track record in terms of zero reportable accidents in the factories for several years now.

G. Corporate Social Responsibility

The Company continues to be actively engaged in corporate social responsibility (CSR) initiatives for development of the

society through partnerships particularly to improve the lesser privileged communities. The Company has identified the following areas around which the Team CSR operates:

Health and hygiene:

Medical camps like eye, dental and anaemia and hygiene programmes were held especially for school children to improve the well being of the children belonging to the vulnerable sections. In the areas of hygiene Self Help Group of women were trained in Tamil Nadu, MP, Chatisgarh and Karnataka especially in back ward areas, half of which were with support of State Governments Symposium held with Department of Science and Technology, New Delhi, IIT- Madras – RuTAG and UNICEF was conducted to help improve quality of the products used in this regard.

Education:

Improvement in the learning outcomes and support to the existing educational system with bridge classes, computer based learning programmes counselling and motivation of students appearing public examinations are the areas of focus . This resulted in a cent per cent pass percentage in the target population.

Culture and Heritage:

In the last year, culture and heritage activities, were organized to promote and maintain the culture and tradition.

The employees of the Company have also been actively engaged in CSR activities like blood donation camps and Joy of Giving programme

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.



Directors' Report to the Shareholders (Contd.)

Awards and Recognitions

The Company has been awarded:

- i) VAR India Award for Best Key Board (Mechanical) 2011
- ii) VAR India Award for Best POS – Indian Brand 2011
- iii) DELL Best Partner Award for Field Services 2012

Subsidiary Companies

The Company has two subsidiaries viz., Prime Property Holdings Limited and Tumkur Property Holdings Limited.

Consolidated Accounts

The accounts of the subsidiaries are consolidated with the accounts of the Company in accordance with Accounting Standard 21 (AS 21) prescribed by The Institute of Chartered Accountants of India. The consolidated accounts duly audited by the Statutory Auditors and the consolidated financial information form part of the Annual Report.

In accordance with the general exemption granted by the Central Government under Section 212(8) of the Companies Act, 1956 in February, 2011, the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of the subsidiary companies are not attached to the Balance Sheet of the Company.

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

Dividend

Considering the current financial position of the Company and with a view to conserve the resources, the Directors do not propose any dividend for the financial year ended 31st March, 2012.

Directors

After a long years of association with the Company, Mr. S R Vijayakar, Mr. R R Nair and Dr. Sridhar Mitta, Directors, resigned from the Board of Directors with effect from 2nd February, 2012. The Company was immensely benefited by their wise counsel and direction during its journey since inception. In line with the transformation of the business of the Company, the Board of Directors decided to broad base the Board to take the Company to the next level of growth. In

this connection, Mr Balu Doraisamy, Mr Praveen Chakravarty and Mrs Srilalitha Gopal were inducted in to the Board of Directors.

During the year, Mr. Balu Doraisamy was appointed as an Additional Director on 27th May, 2011. The Shareholders have approved his appointment as a Director at the Sixteenth Annual General Meeting held on 21st September, 2011.

Mr. Praveen Chakravarty and Mrs. Srilalitha Gopal have been appointed as Additional Directors on 10th November, 2011. In accordance with the provisions of Section 260 of the Companies Act, 1956, they will hold office up to the date of the ensuing Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received from a Member proposing their candidature for the office of Director.

Mr. D Sundaram and Mr. H Lakshmanan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Necessary resolutions are being placed before the members for approval.

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Registration No.004207S) retire at the ensuing Annual General Meeting and are eligible for re-appointment.

Employee Stock Option Plan

2,11,000 options were issued at Rs.70 per share to the eligible employees of the Company under the Employees Stock Option Scheme (ESOP) in 2003 fully lapsed on 31st March, 2012. No fresh ESOP options have been issued during the financial year ended 31st March, 2012. Details of the options granted and options in force as required under Clause 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999 are set out in Annexure "A" to this Report.

Recognising the fact that human resources are key to growth of the organization and as per the policy of rewarding the employees, the Company approached the shareholders and obtained their approval to institute and Employee Stock Option Scheme (ESOP Scheme 2011) for grant of Equity Stock Options convertible to equal number of Equity Shares of Rs.10 each of the Company (Options) not exceeding an aggregate of 17,65,000 options constituting about 10% of the paid up equity share capital of the Company as on 31st March, 2011.

Directors' Report to the Shareholders (Contd.)

Personnel

There were no employees covered by the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended vide Notification No. GSR 289(E) dated 31st March, 2012.

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.

Report on energy conservation, foreign exchange and research and development

Information relating to energy conservation, foreign exchange earned and spent and research and development activities undertaken by the Company in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 are given in Annexure "C" to the Directors' Report.

Corporate Governance

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

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

Public Deposits

The Company has not accepted any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 for the year ended 31st March, 2012.

Investments

The Company during the year made additional investment of Rs.10.50 Crores for the fourth and final call in respect of its commitment to TVS Shriram Growth Fund - I (Fund). With this the total commitment of Rs.35Cr was fully paid by the Company. During the year the Company received Rs.0.90Cr as redemption proceeds from the Fund. During the year, the Company as part of its acquisition of Services business from TVS-E Servicetec Limited, paid part of the consideration in kind by transferring 2,70,000 units of the Fund at Face Value

of Rs.1000 each at par. This reduced its investments in the Fund to Rs.7.10 Cr and improved its capital employed in the form of core business assets.

Directors' Responsibility Statement

As required by Section 217(2AA) of the Companies Act, 1956, the Directors hereby state:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the Directors 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 (namely 31st March, 2012) and of the profit of the Company for that period;
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the Directors had prepared the annual accounts for the year ended 31st March, 2012 on a "going concern" basis.

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 the Company's holding companies viz., TVS Investments Limited, Sundaram -Clayton Limited and T.V.Sundram Iyengar & Sons 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
3rd May, 2012

Gopal Srinivasan
Chairman



Directors' Report to the Shareholders (Contd.)

Annexure 'A' to Directors' Report

Statement as at 31st March, 2012 pursuant to Clause 12 (Disclosure in the Directors' Report) of the SEBI (ESOP & ESPS) Guidelines, 1999.

Employees Stock Option Scheme 2003 (ESOP -2003)

a)	Options Granted	2,11,000 options granted on 1.1.2003.
b)	Pricing Formula	Average of the market price quoted in the National Stock Exchange three months preceding the date of grant, rounded off to the nearest rupee.
c)	Options Vested	2,11,000
d)	Options Exercised	Nil
e)	The total no. of ordinary shares arising as a result of exercise of options	Nil
f)	Options lapsed	2,11,000
g)	Variation of terms of options	Nil
h)	Money realized by exercise of options	Nil
i)	Total no. of options in force	Nil
j)	(i) Details of options granted to Senior Managerial Personnel during the year	Nil
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	Nil
	(iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital outstanding Company (excluding outstanding warrants & conversions) of the Company at the time of grant.	Nil
k)	Diluted earnings per share (EPS) pursuant issue of shares on exercise of option calculated in accordance with the International Accounting Standard (IAS 33)	Not Applicable

For and on behalf of the Board

Chennai
3rd May, 2012

Gopal Srinivasan
Chairman

Directors' Report to the Shareholders (Contd.)

Annexure "B" to the Directors' Report for the year ended 31st March, 2012

Information as required under Section 217 (1) (e) of the Companies Act, 1956

A. CONSERVATION OF ENERGY

(a) Measures taken:

- a. ROHS compliant 24 Wire printer all parts completed, commence to migrate from October, 2012, Samples validation in progress.

(b) Proposed measures:

Low power consumption printers based on new BEE standard.

B. TECHNOLOGY ABSORPTION

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

(a) IT Peripherals

- i. Indigenous development of Own Micro Controller and Gate Array technology for 24 Wire printers
- ii. Alpha design completed for own cash register.
- iii. New 32 bit Scanners validation in progress.
- iv. Launch of new redesign Main logic card for 9 Wire with inbuilt flash, heat less carriage IC.
- v. New TVS-E Gold KB Variant launched (Non-Tactile for Noiseless operation)

(b) Customization projects

- i. New Thermal printer for Indian Railways for UTS ticketing application with existing customer application
- ii. New Thermal Printer Mechanism for Bharat Electronics Ltd.
- iii. Customization of 40 column. Printer For Dairy segment with DC Operation for Mobile printing application
- iv. Customization of 40 column Printer for Diary segment which operates with AC as well as DC (Auto change over)
- v. Secure 40 Column UTS Ticket printer with built-in Barcode scanner

2. Future plan of action

The Company will be repositioning some of the existing products and introducing new products in areas of Retail Printing, Point of Sale applications, Authentication and Payment industry.

3. Expenditure on R&D

Rs. In Lakhs

Particulars	Year ended 31 st March, 2012	Year ended 31 st March, 2011
Capital Expenditure	0.41	0.83
Revenue Expenditure	116.64	136.70
Total	117.05	137.53

Total expenditure as a percentage of total turnover = 0.53% (0.75%)

4. Technology absorption, adoption and Innovations

a) Efforts in brief

- i. Key research employees and new joiners have been trained in paper transportation for DMP system, Thermal technology, Electronic Cash Registers, Power consumption, Plastic / Sheetmetal parts design and ROHS compliance.
- ii. All R&D Personnel have been trained in Six Sigma Green belt program, New Product Introduction (NPI) program and Analysis tools.

b) Benefits derived as a result of the above efforts

- i. Know how of 24 wire printing technology scalable for higher printing speeds & cost control
- ii. Know how of Rugged High Speed 2" Thermal printer mechanism with high degree of Security & Customization

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, MSR Key Board, 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.

Particulars	31 st March, 2012	31 st March, 2011
in Rs. Lakhs		
(a) Total Forex earned (FOB)	84.56	Nil
(b) Total Forex used (FOB)	5366.37	4327.42
Total	112.70	137.53

For and on behalf of the Board

Chennai
3rd May, 2012

Gopal Srinivasan
Chairman



Report on Corporate Governance

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

Company's Philosophy on Corporate Governance

The Company embodies on the philosophy of professional, transparent, fair and ethical practices the basic tenets of Corporate Governance.

The Company has adopted a Code of Business Conduct and Ethics for its Directors (including its Non-Executive Directors) and senior management personnel. The Code is available on the Company's website. The Company has also adopted a Code of Conduct for Prevention of Insider Trading as also a Code of Corporate Disclosure Practices.

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

A. MANDATORY REQUIREMENTS

1. Board of Directors

1.1 A strong Corporate Governance is 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.

1.2 The structure consists of Board of Directors and various Sub-Committees overseeing the entire management. The Board consists of eight Directors of whom five are Independent Directors and all of them are Non-Executive Directors.

1.3 During the financial year 2011-12 four Board Meetings were held. The gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

27th May, 2011, 23rd July, 2011, 10th November, 2011 and 2nd February, 2012.

1.4 The last Annual General Meeting (AGM) of the Company was held on 21st September, 2011 and six Directors including the Chairman of the Audit Committee attended the AGM.

1.5 The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of directorships and Committee Chairmanships/ Memberships held by them in other companies are given herein below.

1.6 None of the Directors is a member in more than ten Committees and acts as a Chairman in more than five Committees across all companies in which he/she is a Director. Necessary disclosures regarding Committee positions in other public companies have been made by the Directors.

Name of the Director	Category	No. of Board Meetings during the year 2011-12		Whether attended last AGM held on 21 st September, 2011	Number of other Directorships and Committee Memberships / Chairmanships		
		Held	Attended	Last AGM	Other Directorships (a)	Committee Memberships (b)	Committee Chairmanships
Mr. Gopal Srinivasan Chairman DIN 00177699	Non- Independent Non-Executive	4	4	Yes	19	-	-
Mr. H Lakshmanan DIN 00057973	Non- Independent Non-Executive	4	4	Yes	21	8	5
Mr. R Ramaraj DIN 00090279	Independent Non-Executive	4	4	Yes	13	1	-
Mr. D Sundaram DIN 00016304	Independent Non-Executive	4	4	Yes	6	3	2
Mr. Kenneth Tai DIN 01964412	Independent Non-Executive	4	1	No	8	-	-
Mr. Balu Doraisamy DIN 00081807	Independent Non-Executive	4	4	Yes	1	-	-
Mr. S R Vijayakar* DIN 00496583	Independent Non-Executive	4	2	No	2	-	-
Dr. Sridhar Mitta* DIN 00003952	Independent Non-Executive	4	4	Yes	7	2	1
Mr. R R Nair* DIN 00202551	Independent Non-Executive	4	3	No	3	2	1
Mr. S S Raman** Managing Director DIN 00214782	Non-Independent Executive	4	2	Yes	4	-	-
Mr. Praveen Chakravarty# DIN 00766422 (#)	Independent Non-Executive	4	2	NA	1	-	-
Mrs. Srilalitha Gopal DIN 02329790 (#)	Non-Independent Non-Executive	4	2	NA	2	-	-

* resigned on 2nd February 2012 ** resigned on 31st December, 2011. # appointed as Additional Directors with effect from 10th November, 2011.

Report on Corporate Governance (Contd.)

- (a) includes directorship of private limited companies, Section 25 companies and foreign companies
- (b) only membership of Audit Committee and Shareholders Grievance Committee of other companies have been considered which includes Committees where the Director is also Chairman.

1.7 None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

1.8 None of the Directors are related to each other except Mr. Gopal Srinivasan and Mrs. Srilalitha Gopal who are spouses.

1.9 The Company ensures that all statutory, significant material information are placed before the Board/Committees of Directors for their approval to enable them to discharge their responsibilities as trustees of the large family of shareholders. During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration. The Board periodically reviews compliance of all laws applicable to the Company.

1.10 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.

1.11 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.

1.12 Code of Conduct for Board of Directors and Senior Management:

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors and Senior Management personnel viz., all members of management one level below Directors, including all functional heads (Code). The Code has been communicated to all the Directors and members of the senior management. The Code is also available on the Company's website www.tvs-e.in. All Directors and senior management personnel have confirmed compliance with the Code for the year ended 31st March, 2012. The Annual Report contains a declaration to this effect signed by the President and Chief Executive Officer.

2. Audit Committee

The Board constituted an Audit Committee on 18th August, 2003. The said Committee is constituted in line with the

provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956. Consequent to the resignation of Mr. S R Vijayakar and Dr. Sridhar Mitta, Directors the Committee was reconstituted by the Board on 2nd February, 2012 and the Powers of the Committee were also redefined in line with the existing amendments:

2.1 Brief terms of reference of the Audit Committee are as under:

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2) Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.

b. Changes, if any, in accounting policies and practices and reasons for the same.

c. Major accounting entries involving estimates based on the exercise of judgement by management.

d. Significant adjustments made in the financial statements arising out of audit findings.

e. Compliance with Accounting Standards and with listing and other legal requirements relating to financial statements.

f. Disclosure of any related party transactions.

g. Qualifications in the draft Audit Report.

3) Reviewing, with the management, the quarterly and annual financial statements before submission to the Board for approval.

4) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.

5) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.

6) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and



Report on Corporate Governance

seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

7) The recommendations of the Audit Committee on financial management including the Audit Report shall be binding on the Board. In case the Board does not accept the recommendations of the Committee it shall record the reasons there for and communicate such reasons to the Shareholders.

8) Discussion with internal auditors on any significant findings and follow up thereon.

9) Reviewing the findings of any internal investigations by the internal auditors or any other firms of Chartered Accountants or other entities/agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

10) Discussion with Statutory Auditors, before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.

11) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

12) Reviewing the Company's financial and risk management policies.

13) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends declared) and creditors.

14) To review the functioning of the Whistle Blower mechanism, in case the same is existing.

15) Approval of appointment of Chief Financial Officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience & background, etc., of the candidate.

16) Authority to investigate into any matter referred to it by the Board.

Explanation: The term "related party transactions" shall have the same meaning as contained in the Accounting Standard

18, Related Party Transactions, issued by The Institute of Chartered Accountants of India.

17) The Audit Committee shall mandatorily review the following information:

i) Management discussion and analysis of financial condition and results of operations;

ii) Statement of significant related party transactions (as defined by the audit committee), submitted by management;

iii) Management letters / letters of internal control weaknesses issued by the statutory auditors;

iv) Internal audit reports relating to internal control weaknesses; and

v) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

18) 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.

2.2 The previous Annual General Meeting of the Company was held on 21st September, 2011 and was attended by Mr. D. Sundaram, Chairman of the Audit Committee.

2.3 Six Audit Committee Meetings were held during the year. The gap between two meetings did not exceed four months. The dates on which the said meetings were held are as follows:

5th April, 2011, 27th May, 2011, 23rd July, 2011, 21st September, 2011, 10th November, 2011 and 2nd February, 2012.

2.4 The composition of the Audit Committee and the details of Audit Committee meetings attended by its members during the financial year 2011-12 are given below:

S. No.	Name of the Member	Status	Number of Meetings	
			Held	Attended
1.	Mr. D Sundaram, Chairman	Non-Executive Director-Independent	6	6
2.	Mr. S R Vijayakar*	Non-Executive Director- Independent	6	2
3.	Mr. H Lakshmanan	Non-Executive Director-Non-Independent	6	6
4.	Dr. Sridhar Mitta*	Non-Executive Director-Independent	6	6
5.	Mr. R Ramaraj**	Non-Executive Director-Independent	NA	NA
6.	Mr. Praveen Chakravarty**	Non-Executive Director-Independent	NA	NA

* Mr. S R Vijayakar and Dr. Sridhar Mitta resigned with effect from 2nd February, 2012.

** Mr. R Ramaraj and Mr. Praveen Chakravarty were appointed with effect from 2nd February, 2012.

Report on Corporate Governance (Contd.)

3. Remuneration/Compensation Committee:

3.1 The Remuneration/Compensation Committee was constituted on 18th July, 2003. The Committee was reconstituted with Mr. Gopal Srinivasan, Mr. Balu Doraisamy, Mr. D. Sundaram, Mr. H. Lakshmanan and Mr. R. Ramaraj as Members on 2nd February, 2012. The Committee

(i) shall act as Remuneration Committee for the purposes of approving any minimum remuneration payable to any managerial person and others as delegated by the Board from time to time and

(ii) shall act as Compensation Committee to formulate and administer the employee stock options of the Company.

3.2 The brief terms of reference of the Remuneration Committee are as under:

The Committee, on behalf of the Board of Directors determine with agreed terms of reference, the Company's policy on specific remuneration packages for executive directors including payment of minimum remuneration in terms of Schedule XIII of the Companies Act, 1956 and deal with any matters of remuneration to senior executives of the

Company and also have such power as may be entrusted to them from time to time by the Board of Directors or any other matter including pension rights and any compensation payment etc.

3.3 The Remuneration Committee met on 27th May, 2011 to determine the minimum remuneration payable to Mr. S S Raman, Managing Director.

3.4 The Committee which also functions as Compensation Committee administers and superintends the stock options granted to eligible employees of the Company. The Committee is also empowered to formulate any proposal or issue of shares under Employee Stock Option Schemes.

3.5 The Compensation Committee did not meet during the year in the absence of any specific agenda. A total of 2,11,000 stock options have been recommended and issued by the Compensation Committee to eligible employees in 2003. All the 2,11,000 options have lapsed as on 31st March, 2012.

3.6 The composition of the Remuneration/Compensation Committee and details of 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 R Nair, Chairman*	Non-Executive Director-Independent	1	1
2.	Mr. S R Vijayakar *	Non-Executive Director- Independent	1	-
3.	Mr. H Lakshmanan	Non-Executive Director-Non-Independent	1	1
4.	Mr. D Sundaram	Non-Executive Director-Independent	1	1
5.	Mr. Gopal Srinivasan**	Non-Executive Director-Non-Independent	NA	NA
6.	Mr. Balu Doraisamy**	Non-Executive Director-Independent	NA	NA
7.	Mr. R Ramaraj**	Non-Executive Director-Independent	NA	NA

* Mr. R R Nair and Mr. S R Vijayakar resigned with effect from 2nd February, 2012

** Mr. Gopal Srinivasan, Mr. Balu Doraisamy and Mr. R Ramaraj were appointed with effect from 2nd February, 2012

3.7 Remuneration Policy

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed pay, benefits and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the appraisal process.

During the year, 2011-12, the Company paid Sitting Fees of Rs.2,500/- per meeting to its Non-Executive Directors for attending meetings of the Board and meetings of Committees of the Board. The Company also reimburses out-of-pocket expenses incurred by the Directors for attending meetings.

3.8 Details of Remuneration for the year ended 31st March, 2012

Report on Corporate Governance

(a) Non-Executive Directors:

Name of the Director	Sitting Fees paid (Rs.)
Mr. Gopal Srinivasan	22,500
Mr. H Lakshmanan	50,000
Mr. S R Vijayakar	10,000
Mr. R R Nair	10,000
Mr. R. Ramaraj	22,500
Dr. Sridhar Mitta	25,000
Mr. D Sundaram	37,500
Mr. Kenneth Tai	2,500
Mr. Balu Doraisamy	20,000
Mr. Praveen Chakravarty	5,000
Mrs. Srilalitha Gopal	5,000

(b) Managing Director:

The remuneration payable to the Managing Director is fixed by the Board within the limits approved by the Shareholders in terms of the relevant provisions of the Companies Act, 1956.

Mr. S S Raman, Managing Director was paid remuneration by way of salary, allowances, commission on profits, performance linked incentive or bonus, (including the annual increments/revisions), medical reimbursement, leave travel concession for self and family, club fees, medical/personal accident insurance premiums and other benefits or amenities subject to a ceiling of Rs.30 Lakhs per annum. Mr. S S Raman was paid a total remuneration of Rs.19.94 Lakhs for the period from 1st April, 2011 to 31st December, 2011.

3.9 Details of shares of the Company held by the Directors as on 31st March, 2012 are given below:

Name of the Director	Number of Equity Shares held
Mr. Gopal Srinivasan	150
Mr. H Lakshmanan	350
Mr. R. Ramaraj	35,000
Mr. D Sundaram	NIL
Mr. Kenneth Tai	NIL
Mr. Balu Doraisamy	NIL
Mr. Praveen Chakravarty	NIL
Mrs. Srilalitha Gopal	NIL

4. Investors' Grievance Committee

The Board constituted the Investors' Grievance Committee on 18th August, 2003 to, inter alia, approve transfers, transmissions, issue of fresh certificates etc, look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend/notices/annual reports, etc. The Investors' Grievance Committee was reconstituted on 2nd February, 2012, with Mr. H. Lakshmanan, Mr. R. Ramaraj and Mr. D. Sundaram as Members.

4.1 Five Investors' Grievance Committee Meetings were held during the year. The dates on which the said meetings were held are as follows:

7th April, 2011, 6th July, 2011, 21st September, 2011, 3rd October, 2011 and 2nd January, 2012.

4.2 The composition of Investors' Grievance Committee and details of meetings attended by its members are given below:

S.No.	Name of the Member	Status	Number of meetings	
			Held	Attended
1	Mr. Gopal Srinivasan, Chairman*	Non-Executive Director	4	4
2	Mr. H Lakshmanan	Non-Executive Director	4	4
3	Mr. R Ramaraj	Non-Executive Director	4	3
4	Mr. D Sundaram**	Non-Executive Director	NA	NA

* Mr. Gopal Srinivasan ceased to be member with effect from 2nd February, 2012

** Mr. D Sundaram was appointed with effect from 2nd February, 2012

Report on Corporate Governance (Contd.)

4.3 Complaints received and redressed during the financial year 2011-12:

Pending at beginning of year	Received during the year	Resolved during the year	Pending at end of year
Nil	8	8	Nil

S. No.	Nature of Complaint	No. of Complaints
1.	Non receipt of share certificates	4
2.	Non receipt of dividend warrants	2
3.	Other Complaints	2
	Total	8

As on 31st March, 2012 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, 2012.

5. Reconciliation of Share Capital Audit

As required by the Regulations of the Securities and Exchange Board of India (SEBI), the issued and listed capital of the Company is reconciled with the aggregate of the number of shares held by investors in physical mode and in the demat mode. A Certificate is being obtained on a quarterly basis to this effect from a Practising Company Secretary and submitted to the Stock Exchanges where the Company's shares are listed. No discrepancies were found or reported by the Secretarial Auditor between the issued and listed capital and the aggregate of shares held by investors in both physical form and in electronic form with the depositories for the financial year 2011-12.

5.1 General Body Meetings

a. Annual General Meetings

The last three Annual General Meetings were held as under:

Year	Location	Date	Time
2009	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road, T. Nagar, Chennai – 600 017	4 th September, 2009	2.45 PM
2010	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road, T. Nagar, Chennai – 600 017	6 th September, 2010	10.00 AM
2011	Sri Thyaga Brahma Gana Sabha (Vani Mahal) No.103, G N Chetty Road T. Nagar, Chennai – 600 017	21 st September, 2011	10.30 AM

b. Extraordinary General Meeting

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

c. Postal Ballot

No Postal Ballot was conducted during the year by the Company.



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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
2008-09	Appointment of Mr. S S Raman as Whole time Director of the Company for a period of three years effective 1 st May, 2009 without any remuneration.	4 th September, 2009
2009-10	Appointment of Mr. S S Raman as Managing Director of the Company from 1st April, 2010 to 30 th April, 2012	6 th September, 2010
2010-11	<p>1. Offer not exceeding 3,50,000 warrants with option to exercise the right to be allotted equal number of Equity Shares of Rs.10/- each on preferential basis to Tranzmute Business Advisory LLP, Mumbai.</p> <p>2. Offer not exceeding 12,35,000 Equity Stock Options convertible into equal number of Equity Shares of Rs.10/- each constituting about 7% of the paid-up capital of the Company as on 31st March, 2011 to Employees and Directors of the Company under the ESOP Scheme 2011.</p> <p>3. Offer not exceeding 5,30,000 Equity Stock Options convertible into equal number of Equity Shares of Rs.10/- each constituting about 3% of the paid-up capital of the Company as on 31st March, 2011 to Directors of TVS Investments Limited, the Holding Company under ESOP Scheme 2011.</p> <p>4. Offer of Stock Options equal to or exceeding 1% of the issued capital of the Company in any year to Employees and Directors of the Company and to Directors of TVS Investments Limited under the ESOP Scheme 2011.</p>	21 st September, 2011

e. No Special Resolutions is proposed to be passed through postal ballot at the ensuing AGM.

6. Disclosures

6.1 During the year, the Company has not entered into any transaction of material nature with the Directors, their relatives or management, which were in conflict with the interest of the Company. The transactions with promoters, its subsidiaries and associate companies etc., of routine nature have been reported elsewhere in the annual report as per the Accounting Standard (AS 18) issued by the Institute of Chartered Accountants of India.

6.2. 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.

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

7. Non-Mandatory Requirements

7.1. The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure I D to the Clause 49 of the Listing Agreements with the Stock Exchanges.

7.2. The Company ensures that any person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which, in the opinion of the Company, would enable him to contribute effectively to the Company in his capacity as an Independent Director.

7.3. The Company has set up a Remuneration Committee, details of which have been given earlier in this Report. The said Committee also functions as Compensation Committee.

7.4. The statutory financial statements of the Company are unqualified.

8. Means of Communication

8.1 The quarterly unaudited results of the Company have been published in English in Business Line and the Tamil version in Makkal Kural. The Company has opted to publish the audited annual results for the year ended 31st March, 2012.

8.2 The quarterly/annual financial results, shareholding pattern, etc., are sent to Stock Exchanges both in physical and in electronic forms. 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.

Report on Corporate Governance (Contd.)

9. General Information for Shareholders:

a. Annual General Meeting –

Date : Saturday, 4th August, 2012
 Time : 10:35 a.m
 Venue : Sri Thyaga Brahma Gana Sabha
 (Vani Mahal), No. 103, GN Chetty
 Road, T Nagar, Chennai - 600 017

As required under Clause 49(IV)(G)(i) of the Listing Agreements with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM to be held on Saturday, 4th August, 2012.

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

c. Financial reporting for the quarter ending for financial year ending 31st March, 2013 (Tentative)

30 th June, 2012	UA / A	On or Before 14 th August, 2012
30 th September, 2012	UA / A	On or Before 14 th November, 2012
31 st December, 2012	UA / A	On or Before 14 th February, 2013
31 st March, 2013	UA / A	On or Before 15 th May, 2012 On or Before 30 th May, 2012

UA- Unaudited; A- Audited

d. Period of Book Closure, 1st August, 2012 to 4th August, 2012 both days inclusive.

Month	Bombay Stock Exchange 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, 2011	25.40	21.50	74,374	25.50	20.20	2,21,280
May, 2011	25.80	23.05	51,192	26.00	22.10	2,27,823
June, 2011	24.75	23.30	42,093	24.75	22.70	78,698
July, 2011	25.70	23.05	62,880	25.70	22.55	1,21,920
August, 2011	25.15	18.10	47,422	25.30	18.00	97,460
September, 2011	22.00	18.25	54,268	21.50	18.00	70,792
October, 2011	19.90	17.20	24,931	20.20	16.50	54,035
November, 2011	24.50	16.80	1,12,281	24.60	18.10	2,05,520
December, 2011	20.55	15.00	35,667	20.65	16.35	46,042
January, 2012	20.50	17.00	19,142	21.40	17.15	82,004
February, 2012	20.50	18.00	52,639	21.00	17.35	1,63,885
March, 2012	19.50	16.00	44,978	20.90	16.25	78,706

10. 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	Bombay Stock Exchange 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.

Corporate Identification Number (CIN) of the Company: L30007TN1995PLC032941

11. Market Price Data

11.1 High, Low (based on closing prices) and number of shares traded during each month in the financial year 2011-12 on Bombay Stock Exchange Limited and National Stock Exchange of India Limited:



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11.2 Share Price performance in comparison to broad based indices – BSE Sensex

The Company's share price performance in comparison to BSE Sensex based on share price as on 31st March, 2012.

Financial year	Percentage change in	
	Company's share price (%)	Sensex (%)
2011-12	(22.14)	(10.50)
2010-11	(17.97)	10.94
2009-10	90.33	80.54
2008-09	(56.40)	(37.95)

12. 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, the ultimate Holding Company 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.

95.21% of the Equity shares of the Company are held in electronic form as on 31st March, 2012. 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 address given below.

Sundaram-Clayton Limited

22, Railway Colony III Street
Mehta Nagar, Chennai – 600 029
Telephone : 91 44 23741889/2939
Fax : 91 44 23741889
E-mail : investorservices@tvs-e.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.

13 a. Distribution of equity shareholding as on 31st March, 2012:

No. of shares held	No. of share holders	% of share Holders	No. of shares held	% of share holding
Upto 500	21,411	91.68	28,31,872	16.02
501 to 1000	1,149	4.92	9,48,577	5.37
1001 to 2000	395	1.69	6,03,781	3.42
2001 to 3000	133	0.57	3,32,973	1.88
3001 to 4000	72	0.31	2,54,479	1.44
4001 to 5000	57	0.24	2,68,510	1.52
5001 to 10000	86	0.37	6,51,814	3.69
10001 and above	52	0.22	1,17,80,812	66.66
TOTAL	23,355	100.00	1,76,72,818	100.00

b. Pattern of equity shareholding as on 31st March, 2012

Shareholders	No. of shares held	% of total shares held
Promoter Companies	1,05,53,449	59.72
Directors & Relatives	36,050	0.20
Corporate Bodies	5,03,777	2.85
Nationalised Banks/MF/ UTI/PFI	67,050	0.38
Resident Individuals	61,65,877	34.89
Foreign Institutional Investors	100	0.00
Non-Resident Indians/Overseas Corporate Bodies	3,46,515	1.96
TOTAL	1,76,72,818	100.00

14. Dematerialisation of Shares and Liquidity:

The Company's shares are compulsorily traded in dematerialised form and are available for trading on both the depositories in India viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Equity shares of the Company representing 95.21% of the Company's equity share capital are dematerialised as on 31st March, 2012.

The Company's equity shares are regularly traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited, in dematerialised form.

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

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

Report on Corporate Governance (Contd.)

- As on 31st March, 2012, the Company had outstanding warrants of 3,50,000 issued to an investor which are convertible to equal number of Equity Shares of Rs.10/- each. Upon conversion, this will constitute 1.94% of enhanced equity share capital of the Company

15. Plant locations:

Uttarkhand : No. E12, F-92 & F-93
Selaqui Industrial Estate
Selaqui, Dehradun,
Uttarkhand
Tel: 0135-269 8662/63

16. Address for Investor's Correspondence:

Sundaram-Clayton Limited, Share Transfer Agent

Unit: TVS Electronics Limited
Sundaram -Clayton Limited
22, Railway Colony III Street
Mehta Nagar, Chennai - 600 029
Tel: +91-44-23741889/2939
Fax No: 91-44-23741889

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

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

17. 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 - Investors to register e-mail ids with DP or the Company
- 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.
- Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will be transferred to the "Investor Education and Protection Fund" (IEPF) in terms of Section 205C of the Companies Act, 1956.

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

Financial Year	Date of Declaration	Date of transfer to Special Account	Due Date for transfer to IEPF
Period ended 31.3.2005 (15 months)	08.08.2005	13.09.2005	13.09.2012
Year ended 31.3.2006	28.09.2006	03.10.2006	03.10.2013
Year ended 31.3.2007	24.09.2007	30.10.2007	30.11.2014
Year ended 31.3.2008	05.09.2008	11.10.2008	11.10.2015



Auditors' Certificate

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

To
The Shareholders of TVS Electronics Limited
Chennai – 600 006

We have examined the compliance of the conditions of Corporate Governance by TVS Electronics Limited, Chennai ("the Company") for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We 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

Chennai
3rd May, 2012

M BALASUBRAMANIAM
Partner
Membership No: F7945

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

To
The Shareholders of TVS Electronics Limited
Chennai - 600 006

We hereby declare that all Members of the Board and the Senior Management Personnel have affirmed compliance with the respective provisions of the Code of Conduct of the Company formulated by the Board of Directors for the financial year ended 31st March, 2012.

Chennai
3rd May, 2012

J N SASTRY
President and Chief Executive Officer

Auditors' Report

Auditors' Report to the Members of TVS Electronics Limited, Chennai for the year ended 31st March, 2012

We have audited the attached Balance Sheet of M/s. TVS Electronics Limited, "Jayalakshmi Estates", 29, Haddows Road, Chennai - 600 006 as at 31st March, 2012, the Statement of Profit & Loss for the year ended 31st March, 2012 annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with the Auditing Standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

3. Further to our comments in the Annexure referred to above, we state that -

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose 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, Statement of Profit and Loss and Cash Flow Statement referred to in this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- (e) On the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that no Director is disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon, particularly the notes under AS13 (Accounting for Investments), give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - (ii) in so far as it relates to the Statement of Profit and Loss, of the profit of the Company for the year ended 31st March, 2012; and
 - (iii) in so far as it relates to the Cash Flow Statement, of the cash flows for the year ended on that date.

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

M BALASUBRAMANIAM
Partner
Membership No. F7945

Chennai
May 3, 2012.

Annexure referred to in our report of even date on the accounts for the year ended 31st March, 2012

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
- b) The assets are physically verified, in phases, by the Management during the year as per the regular programme of verification, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification. The discrepancies noticed on such verification have been appropriately dealt with in the books of account of the Company.
- c) During the year the Company has disposed off unused assets and the loss arising therefrom is disclosed as exceptional item of expenditure. The assets disposed off during the year are not substantial and therefore do not affect the going concern status of the Company.
2. a) The stock of raw materials, stores, spare parts and finished goods other than in transit were physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable. In respect of inventory with third parties, which have not been physically verified, there is a process of obtaining confirmation from such parties.
- b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
3. a) During the year, the Company has granted unsecured loan of ₹ 521 lakhs (Balance as at 31.03.2012 - ₹ 200 lakhs) to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions of the loan are not prima facie prejudicial to the interest of the Company. The receipt of Principal amount and interest thereon are regular. As on the date of Balance Sheet there was no overdue amount recoverable on the said unsecured loans.
- b) During the year the Company has not availed any loan from companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.
5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the Management, we are of the opinion that the contracts or arrangements that need to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said Register.
- b) In our opinion and according to the information and explanations given to us, the transactions entered in the Register maintained under Section 301 and exceeding during the financial year by ₹ 5.00 lakhs in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The Company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained.
9. a) According to the records provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other statutory dues with the appropriate authorities. However marginal delay was noticed in respect of one Employee State Insurance remittance.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears, as at 31st March, 2012 for a period of more than six months from the date they became payable.

Annexure to the Auditors' Report (Contd.)

- c According to the information and explanations given to us, the following are the details of the disputed dues, that were not deposited with the concerned authorities.

Name of the Statute	Nature of dues	Amount (₹in lakhs)	Forum where dispute is pending
Sales Tax Acts of various states	Statutory Forms/Entry Tax/Warranty replacement stock related/Turnover dispute	270.08	Assistant Commissioner / Deputy Commissioner / Appellate Authorities – Commercial Taxes of various states.
Income Tax Act, 1961	a) Cost of acquisition of certain capital asset sold and determination of capital gain.	220.20	Commissioner of Income Tax (Appeal), Chennai.
	b) Claim of TDS disallowed.	49.65	
	c) Inventory write-off disallowed.	193.82	
	d) Wrong levy of interest under various provisions of the Act.	14.42	
Service Tax	Dispute on availment of input tax credit for exempted and dutiable goods.	121.15	Customs, Excise and Service Tax Appellate Tribunal, Chennai (CESTAT).
Excise	Refund disputed.	13.23	Customs, Excise and Service Tax Appellate Tribunal, Chennai (CESTAT).
Customs	Special Additional Duty refund claim rejected by department.	10.25	The Commissioner of Customs (Appeals), Chennai.

10. The Company neither has accumulated losses as at the end of the financial year nor has incurred cash losses during the financial year and in the immediately preceding year.

11. 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 any financial institution or bank.

12. Based on our examination and according to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The Company is not a chit / nidhi / mutual benefit fund / society and as such clause (xiii) of the Order is not applicable.

14. The Company is not dealing or trading in shares, securities, debentures and other investments. All investments are held in the Company's own name except in the case of investment in wholly owned subsidiaries where certain number of shares are held by nominees as provided in Section 49 (3) of the Companies Act, 1956.

15. The Company has not given any guarantee for loans taken by others from bank or financial institution.

16. In our opinion, the term loans were applied for the purpose for which the loans were obtained.

17. On the basis of our examination, the Company has not used the funds raised on short-term basis for long-term investments.

18. During the year, the Company has not allotted any shares on preferential basis to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. During the year, the Company has not issued any debentures.

20. During the year, the Company has not raised any money by public issue.

21. Based on the audit procedures adopted and information and explanations given to us by the Management, no fraud on or by the Company has been noticed or reported during the course of our audit.

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

M BALASUBRAMANIAM
Partner
Membership No. F7945

Chennai
May 3, 2012.



Balance Sheet as at 31st March, 2012

₹ in Lakhs

Particulars	Note no.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,767.28	1,767.28
(b) Reserves and surplus	2	2,463.64	2,324.28
(c) Money received against share warrants	1	19.91	-
		4,250.83	4,091.56
2 Non-current liabilities			
(a) Long-term borrowings	3	1,666.00	-
(b) Deferred tax liabilities (Net)		48.31	80.56
(c) Other Long term liabilities	4	180.01	112.29
(d) Long-term provisions	5	296.51	192.34
		2,190.83	385.19
3 Current liabilities			
(a) Short-term borrowings	6	4,942.23	4,497.91
(b) Trade payables		2,096.51	1,374.08
(c) Other current liabilities	7	1,571.70	1,255.46
(d) Short-term provisions	8	133.14	157.06
		8,743.58	7,284.51
TOTAL		15,185.24	11,761.26
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets		1,630.35	1,524.63
(ii) Intangible assets		3,222.31	160.33
(iii) Capital work-in-progress		76.43	-
(b) Non-current investments	10	811.23	2,550.73
(c) Long-term loans and advances	11	3,808.97	3,581.20
(d) Other non-current assets	12	330.00	330.00
		9,879.29	8,146.89
2 Current assets			
(a) Inventories	13	1,763.04	1,339.17
(b) Trade receivables	14	2,885.02	1,575.09
(c) Cash and cash equivalents	15	418.64	624.15
(d) Short-term loans and advances	16	239.25	75.96
		5,305.95	3,614.37
TOTAL		15,185.24	11,761.26
Notes on Accounts	23		

For and on behalf of the Board

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

H.LAKSHMANAN
Director

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

Chennai
May 3, 2012

N.YOGESHWARAN
Chief Financial Officer

M BALASUBRAMANIAM
Partner
Membership No: F 7945



Statement of Profit & Loss for the Year ended 31st March, 2012

₹ in Lakhs

Particulars	Note no.	Year ended 31.03.2012	Year ended 31.03.2011
I. Revenue from operations	17	21,661.46	18,161.90
II. Other income	18	374.75	199.37
III. Total Revenue (I + II)		22,036.21	18,361.27
IV. Expenses:			
Cost of materials consumed	19	10,065.87	9,355.14
Purchases of Stock-in-Trade	19	4,335.26	2,530.31
Changes in inventories of finished goods, work-in-process & stock-in-trade	19	(213.36)	74.00
Employee benefits	20	1,775.66	1,123.39
Finance costs	21	658.66	622.58
Depreciation and amortization expense		504.08	396.33
Other expenses	22	4,748.86	4,108.56
Total expenses		21,875.03	18,210.31
V. Profit before exceptional items and tax (III-IV)		161.18	150.96
VI. Exceptional items - Loss on sale of unused assets		20.61	62.25
VII. Profit before tax (V- VI)		140.57	88.71
VIII Tax expense:			
(1) Current tax		33.00	13.00
(2) Deferred tax		(32.25)	(103.73)
(3) Tax relating to earlier years		0.21	
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		139.61	179.44
X Profit/(loss) from discontinuing operations - Warranty expenses		-	(25.00)
XI Profit/(Loss) for the period (IX + X)		139.61	154.44
XII Earnings per equity share: Refer Note 23(1) - AS 20			
(1) Basic		0.79	0.87
(2) Diluted		0.79	0.87
Notes on Accounts	23		

For and on behalf of the Board

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

H.LAKSHMANAN
Director

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

Chennai
May 3, 2012

N.YOGESHWARAN
Chief Financial Officer

M BALASUBRAMANIAM
Partner
Membership No: F 7945



Notes to Balance Sheet

Note no. 1 - Share Capital

Particulars	As at 31.03.2012		As at 31.03.2011	
	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	1,76,72,818	1,767.28	1,76,72,818	1,767.28
Subscribed & Paid up 1,76,72,818 Equity Shares of ₹ 10 each fully paid	1,76,72,818	1,767.28	1,76,72,818	1,767.28
Total	1,76,72,818	1,767.28	1,76,72,818	1,767.28

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

Particulars	Equity Shares	
	Number	₹ in lakhs
Shares outstanding at the beginning of the year	1,76,72,818	1,767.28
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,76,72,818	1,767.28

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, 1956.
- There are no restrictions attached to the equity shares.

Money received against share warrants:

This is in respect of 3,50,000 warrants. The holder of the warrants has the option to exercise the right to be allotted equal number of Equity shares of par value of ₹.10/- each at a premium of ₹.12.75 per equity share. The aggregate price of warrants is ₹.79.62 Lakhs. As per terms of allotment 25% is to be paid immediately on allotment. Thus a sum of ₹.19.91 Lakhs is received on 3rd October, 2011 viz., the date of

allotment. Each warrant carries an option for conversion into equity. The option can be exercised in respect of any number of warrants. The conversion option is to be exercised before 2nd April, 2013. In case the warrant holder does not exercise the option before the said date the option to that extent not exercised shall lapse and the consideration paid in respect of such warrants shall be forfeited. Pending allotment of equity shares the warrants do not bear any interest. The equity shares allotted on exercise of option shall rank pari passu in all respects with the then existing fully paid up equity shares. The warrants allotted and equity shares allotted pursuant to the exercise of option shall be locked-in for a period of one year from the date of their allotment.

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 31.03.2012	As at 31.03.2011
TVS Investments Limited, Chennai	1,05,53,449	1,05,53,449

Details of shareholders holding more than five percent shares

Name of Shareholder	As at 31.03.2012	As at 31.03.2011
	No. of Shares held	No. of Shares held
TVS Investments Limited, Chennai	1,05,53,449	1,05,53,449

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 2 - Reserves and Surplus		
a. Capital Reserves		
Balance at the beginning of the year	60.60	60.60
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	60.60	60.60
b. Securities Premium Account		
Balance at the beginning of the year	1,281.92	1,281.92
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures for Issuing Bonus Shares	-	-
Closing Balance	1,281.92	1,281.92
c. Share Options Outstanding Account		
Balance at the beginning of the year	0.25	6.32
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	0.25	6.07
Closing Balance	0.00	0.25
d. Other Reserves:		
General Reserve		
Balance at the beginning of the year	349.58	349.58
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	349.58	349.58
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	15.00	15.00
f. Investment Allowance Reserve		
Balance at the beginning of the year	27.46	27.46
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	27.46	27.46
g. Surplus i.e. Balance in the Statement of Profit & Loss		
Balance in the Statement of Profit & Loss as at the beginning of the year	589.47	435.03
(+) Net Profit/(Net Loss) for the current year	139.61	154.44
Closing Balance	729.08	589.47
Total	2,463.64	2,324.28



Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 3 - Long-term borrowings		
Secured		
Term loans		
From banks #	1,666.00	-
(Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)		
# Loan repayable in twelve quarterly instalments commencing from November 2012		
Total	1,666.00	-
(a) Total Loan repayable over term of loans	2,000.00	
(b) Loan repayable in 2011-12	-	
(c) Balance long-term loan as at 31.03.2011	-	
(d) Description of loan	Corporate Loan	
(e) Frequency of repayment(s)	Quarterly	
(f) No. of instalments	12	
(g) Maturity	01.08.2015	
(h) Total of loans repayable over term of loans	2,000.00	
(i) Loan repayable in 2012-13	334.00	
(j) Balance long-term loan 31.03.2012	1,666.00	
(k) Amount payable in each instalment	167.00	
Note no. 4 - Other Long-Term Liabilities		
Others - Dues to Group Companies	170.17	112.17
Unexpired AMC	9.84	0.12
Total	180.01	112.29
Note no. 5 Long-Term Provisions		
(a) Provision for employee benefits		
Leave encashment	45.05	9.30
(b) Others :		
Warranty	203.34	134.92
Sales Tax	48.12	48.12
Total	296.51	192.34

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 6 - Short-Term Borrowings		
Secured		
Loans repayable on demand		
From banks	3,200.00	2,387.49
(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).		
	3,200.00	2,387.49
Secured		
From banks	334.00	-
(Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)		
	334.00	-
Unsecured		
Loans repayable on demand		
From banks	1,408.23	2,110.42
	1,408.23	2,110.42
Total	4,942.23	4,497.91
Note no. 7 - Other Current Liabilities		
Interest accrued and due on borrowings	63.93	28.34
Income received in advance - Unexpired AMC	21.70	25.24
Unpaid dividends	9.60	11.86
Unpaid interest accrued on matured deposits	0.36	0.36
Other payables :		
Statutory Liabilities	236.10	142.50
Retention Money	20.46	20.46
Security Deposits	92.75	21.43
Payroll Deductions	6.75	4.68
Liability towards expenses	1,120.05	1,000.59
Total	1,571.70	1,255.46
Note no. 8 - Short Term Provisions		
Provision for employee benefits		
Leave Encashment	8.31	16.54
Others:		
Warranty	124.83	140.52
Total	133.14	157.06

₹ in lakhs

Note no.9 - Non-Current Assets - Fixed Assets

Fixed Assets	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 01.04.2011	Additions / (Disposals)	Acquired through business combinations	Balance as at 31.03.2012	Balance as at 01.04.2011	Depreciation charged for the year	Withdrawn on disposals	Balance as at 31.03.2012	Balance as at 01.04.2011
a									
Tangible Assets									
Land	223.58	-	-	223.58	-	-	-	223.58	223.58
Land Total	223.58	-	-	223.58	-	-	-	223.58	223.58
Buildings including improvements	897.71	(237.16)	30.61	691.16	584.19	32.21	236.50	379.90	313.52
Buildings Total	897.71	(237.16)	30.61	691.16	584.19	32.21	236.50	379.90	313.52
Plant and Equipment	4,072.58	22.71 (928.91)	295.44	3,461.82	3,254.20	143.43	866.13	2,541.50	818.38
Plant and Equipment Total	4,072.58	(906.20)	295.44	3,461.82	3,254.20	143.43	866.13	2,541.50	818.38
Furniture and Fixtures	189.43	0.50 (13.94)	24.39	200.38	115.65	10.47	9.82	116.30	73.78
Furniture and Fixtures Total	189.43	(13.44)	24.39	200.38	115.65	10.47	9.82	116.30	73.78
Vehicles	41.77	0.52 (12.34)	-	29.95	39.29	1.82	11.86	29.25	2.48
Vehicles Total	41.77	(11.82)	-	29.95	39.29	1.82	11.86	29.25	2.48
Office equipment	1,487.94	22.21 (20.18)	32.97	1,522.94	1,395.05	48.28	10.80	1,432.53	92.89
Office equipment Total	1,487.94	2.03	32.97	1,522.94	1,395.05	48.28	10.80	1,432.53	92.89
Others:	-	-	-	-	-	-	-	-	-
Tangible Assets Additions Total	-	45.94 (1,212.53)	-	-	-	-	-	-	-
Tangible Assets Disposals Total	-	-	-	-	-	-	-	-	-
Total	6,913.01	(1,166.59)	383.41	6,129.83	5,388.38	236.21	1,125.11	4,499.48	1,524.63
b									
Intangible Assets									
Computer software	-	-	66.94	66.94	-	36.88	-	36.88	-
Computer software Total	-	-	66.94	66.94	-	36.88	-	36.88	-
Intellectual Property Rights Business Rights	800.00	-	3,262.91	800.00 3,262.91	639.67	76.00 154.99	-	715.67 154.99	160.33
Intellectual Property and Business Rights Total	800.00	-	3,262.91	4,062.91	639.67	230.99	-	870.66	160.33
Total	800.00	-	3,329.85	4,129.85	639.67	267.87	-	907.54	160.33
c									
Capital Work In Progress									
Buildings	-	4.73	-	4.73	-	-	-	-	-
Plant & Equipment	-	71.70	-	71.70	-	-	-	-	-
Total	-	76.43	-	76.43	-	-	-	-	-
Grand Total	7,713.01	(1,090.16)	3,713.26	10,336.11	6,028.05	504.08	1,125.11	5,407.02	1,684.96

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 10 - Non-Current Investments (At Cost)		
Other Investments - Non trade		
(a) Investment in Equity instruments	100.73	100.73
(b) Other investments	710.50	2,450.00
Total	811.23	2,550.73
Aggregate cost of unquoted investments	811.23	2,550.73

Details of Other Investments - Non trade

Sl. 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 (%)		Amount (₹ in Lakhs)		"Whether stated at Cost Yes / No"	"If Answer to Column (9) is 'No' - Basis of Valuation"
			2012	2011			2012	2011	2012	2011		
(a)	Investment in Equity Instruments											
	Tumkur Property Holdings Limited, Chennai	Subsidiary	50,000	50,000	Unquoted	Fully paid	100%	100%	5.00	5.00	Yes	
	Prime Property Holdings Limited, Chennai	Subsidiary	50,000	50,000	Unquoted	Fully paid	100%	100%	5.00	5.00	Yes	
	Modular Infotech Private Limited, Pune	Others	907,255	907,255	Unquoted	Fully paid			90.73	90.73	Yes	
									100.73	100.73		
(b)	Other investments:											
	Capital contribution to TVS Shriram Growth Fund, Chennai	Others	71,050	245,000	Unquoted	Fully paid	-	-	710.50	2,450.00	Yes	-
	Total								811.23	2,550.73		



Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no.11 - Long Term Loans and Advances - Unsecured, considered good		
a. Capital Advances (a)	9.26	-
b. Security Deposits (b)	2,740.88	2,738.82
c. Loans and advances to related parties (c)	370.17	112.00
d. Others:		
Balance with Statutory Authorities:		
Sales Tax	13.60	13.60
Customs	12.22	12.22
Tax deducted at source net of provisions	482.96	479.90
Advances to Vendors	179.88	224.66
	(d) 688.66	730.38
Total (a+b+c+d) (e)	3,808.97	3,581.20
Note no. 12 - Other non-current assets		
Debts due by related parties (Unsecured, considered good)	330.00	330.00
Total	330.00	330.00
Note no. 13 - Inventories		
a. Raw Materials and components (at Cost)		
Components	506.41	634.68
Indirect material	17.41	18.70
Goods-in transit	-	33.09
	523.82	686.47
b. Work-in-process (at Cost) - Computer Peripherals		
	0.37	2.43
	0.37	2.43
c. Finished goods (at Cost or Net realisable value whichever is lower)		
Manufactured	361.32	145.90
Traded	877.53	504.37
	1,238.85	650.27
Total	1,763.04	1,339.17

Notes to Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 14 - Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,538.16	1,087.62
	2,538.16	1,087.62
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	346.86	487.47
Unsecured, considered doubtful	105.23	69.72
	452.09	557.19
Less: Provision for doubtful debts	105.23	69.72
	346.86	487.47
Total	2,885.02	1,575.09
Note no. 15 - Cash and Cash equivalents		
a. Balances with banks	407.44	606.26
b. Cheques, drafts on hand	0.76	5.35
c. Cash on hand	0.84	0.68
d. Earmarked balances with banks (Unpaid dividend)	9.60	11.86
	418.64	624.15
Note no. 16 - Short-term loans and advances		
Others (Unsecured, considered good)		
Balance with Statutory Authorities:		
Sales Tax	157.43	28.11
Central Excise	8.47	1.79
Prepaid expenses	59.27	34.70
Due from Employees	14.08	11.36
	239.25	75.96



Notes to Statement of Profit and Loss

₹ in Lakhs

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Note no.17 - REVENUE FROM OPERATIONS		
Sale of products	20,322.98	18,073.61
Sale of services	1,463.45	176.10
Other operating revenues	8.70	21.53
Less:	21,795.13	18,271.24
Excise duty	133.67	109.34
Total	21,661.46	18,161.90
Note no.18 - OTHER INCOME		
Interest Income	9.55	60.47
Other non-operating income	365.20	138.90
Total	374.75	199.37
Note no.19 - 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	653.38	743.01
b) Add: Purchases*	9,936.31	9,265.51
	10,589.69	10,008.52
c) Less: Closing stock	523.82	653.38
Total (A)	10,065.87	9,355.14
B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
a) Opening stock		
Work-in-process	2.43	-
Finished Goods	145.90	222.33
	148.33	222.33
	(i)	
b) Closing stock:		
Work-in-process	0.37	2.43
Finished Goods	361.32	145.90
	361.69	148.33
	(ii)	
Total (B)	[(i) - (ii)]	74.00
GRAND TOTAL [A + B]	9,852.51	9,429.14
PURCHASES OF STOCK-IN-TRADE		
a) Opening stock	504.37	544.73
b) Add: Purchases **	4,708.42	2,489.95
	5,212.79	3,034.68
c) Less: Closing stock	877.53	504.37
Consumption of Traded Items	4,335.26	2,530.31

* Components and parts of Computer Peripherals

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

Notes to Statement of Profit and Loss (Contd.)

₹ in Lakhs

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Note no. 20 - EMPLOYEE BENEFITS		
Salaries and wages	1,579.43	980.58
Contributions to Provident & other funds	98.33	58.76
Welfare expenses	97.90	84.05
Total	1,775.66	1,123.39
Note no.21 - FINANCE COSTS		
Interest expense	627.76	577.50
Other borrowing costs - Loan processing charges	30.90	45.08
Total	658.66	622.58
Note no.22 - OTHER EXPENSES *		
Consumption of stores and spares	55.56	47.54
Power and Fuel	72.17	52.47
Rent	281.86	201.29
Repairs & Maintenance - Building	119.84	86.54
Repairs & Maintenance - Plant & Equipment	16.98	13.88
Repairs & Maintenance - Office Equipments	145.42	139.56
Repairs & Maintenance - Vehicle	2.98	1.36
Insurance	44.66	31.62
Rates and Taxes (excluding taxes on income)	36.72	40.30
Audit Fees [Refer Note 23 (7)]	15.83	14.31
Directors Sitting Fees	2.10	1.50
Loss on Sale of Assets	54.77	9.90
Carriage Outward	397.44	273.53
Sales commission, discounts	1,115.10	1,183.10
Warranty and Selling	279.33	482.96
Marketing	129.68	234.10
Travelling & Conveyance	326.79	269.59
Legal & Consultancy	721.91	553.43
Data Processing	351.61	154.71
Miscellaneous expenses	578.11	316.87
Total	4,748.86	4,108.56

* Refer Note 23 (1) AS 5



Notes on Accounts

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
23- NOTES ON ACCOUNTS		
1 ACCOUNTING STANDARDS COMPLIANCE		
<p>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.</p>		
AS - 1 Disclosure of accounting policies		
<p>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.</p>		
AS - 2 Valuation of inventories		
a	<p>Raw materials, components, stores and spares and other trading products are valued at cost determined on weighted average basis. Work in process includes material cost and applicable direct overheads. Finished goods and traded goods are valued at the aggregate of material cost and applicable direct and indirect overheads or net realisable value whichever is lower.</p>	
b	<p>Excise Duty in respect of finished goods lying within the factory are included in the valuation of inventories.</p>	
c	<p>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.</p>	
AS - 3 Cash Flow Statements		
<p>Cash Flow Statement has been prepared under "Indirect Method".</p>		
AS - 4 Contingencies and Events occurring after the Balance Sheet date		
<p>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.</p>		
AS - 5 Net Profit or Loss for the year, prior period items and changes in accounting policies		
<p>Details of prior period items in Profit and Loss Account</p>		
i) Expenses		
Power and Fuel	-	0.28
Welfare	-	0.09
Lease rent	3.79	0.05
Repairs and Maintenance- Housekeeping	-	0.86
Repairs and Maintenance- Office Equipments	-	0.01
Rates and Taxes	-	0.95
Interest- Others	-	0.56
Foreign Travel	1.53	-
Consultancy	1.09	-
Data Processing charges	0.07	-

Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
ii) Income		
Electricity charges	0.18	-
Interest	0.19	0.80
Repairs & Maintenance - Others	0.02	-
AS - 6 Depreciation accounting		
a Depreciation on Fixed Assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 with applicable shift allowance except:		
i) On computers (including printers, uninterruptible power supply systems and computer accessories) and vehicles acquired on or after 01-04-1998, depreciation has been charged at 30% and 18% respectively on straight line method, which are higher than the rates prescribed in Schedule XIV.		
ii) In respect of Buildings acquired on lease, depreciation has been charged at 20% on straight line method which is higher than the rate prescribed in Schedule XIV to the Companies Act, 1956.		
iii) On Intellectual Property Rights, depreciation has been charged at 9.5% per annum under straight line method.		
iv) On Business Rights, depreciation has been charged at 9.5% per annum under straight line method.		
v) On Software, depreciation has been charged at 50% per annum on pro-rata basis under straight line method.		
vi) On assets whose actual cost does not exceed ₹ 5,000 individually, depreciation has been provided at 100%.		
vi) From financial year 2005-06, Tools and Moulds which are three year old have been subject to depreciation @ 31.67% as against normal rate of 16.21%, so as to bring the written down value of such assets to 5% of original cost.		
vii) On certain class of Office Equipments depreciation has been charged at 99% of its original cost on pro-rata basis, considering the useful life of asset as one year as against Schedule XIV rates.		
b In respect of assets depreciated on straight line method which have been acquired on amalgamation / business transfer, depreciation is provided on the original cost of acquisition as appearing in the books of transferor companies.		
AS - 7 Accounting for Construction Contracts		
The Company is not engaged in any Construction business covered by this Standard.		
AS - 8 Accounting for Research and Development		
This Standard stands withdrawn as Accounting Standard 26 - Intangible Assets has become mandatory.		



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
<p>AS - 9 Revenue Recognition</p> <p>a Income and Expenditure are accounted on a going concern basis.</p> <p>b The Company's income consists of income from sale of manufactured equipments, traded goods, after sales service, warranty management & repair services and income from Information Technology (IT) related consultancy services.</p> <p>c Sales is accounted net of Excise Duty, Service Tax and Sales Tax / Value Added Tax.</p> <p>a) Income from consultancy services and annual maintenance contracts are considered on accrual basis.</p> <p>b) Income from services is recognised after rendering services.</p> <p>c) Income from IT solutions are recognised depending upon the stage of completion of the project.</p> <p>d Sale of products, income from services and other income include realised exchange fluctuations on exports of ₹ 84.56 lakhs (Previous year ₹Nil).</p> <p>e Interest income is recognised on a time proportion basis taking into account the amount of outstanding and the rate applicable.</p> <p>f The Company has not derived any income during the current year out of its investments.</p> <p>g In respect of domestic sales, the recognition is on the basis of delivery of goods to customers while in respect of export sales the recognition is on the basis of "LET Export" certification issued by Customs Authorities.</p>		
<p>AS - 10 Accounting for Fixed Assets</p> <p>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.</p> <p>Technical know-how fees paid is capitalised under Plant and Machinery. Temporary constructions / alteration costs are charged off in the same year.</p> <p>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 for which the registration of lease deed was completed in June 2009. The unit has been approved by the Development Commissioner, Madras Export Promotion Zone (MEPZ) in March 2009.</p>		
<p>AS - 11 Accounting for effects in foreign exchange rates</p> <p>a Purchase of imported raw materials, components, spare parts and capital goods are accounted based on retirement memos from banks. In respect of liabilities on import of raw materials, components, spare parts and capital goods which are in transit and where invoices / bills are yet to be received, the liability is accounted based on the market exchange rate prevailing on the date of the Balance Sheet.</p>		

Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
b Year end foreign currency denominated liabilities and receivables are translated at exchange rates prevailing as at Balance Sheet date, the difference being charged/credited to respective revenue or capital account . Any difference between the forward rate and the exchange rate on the date of inception of forward contract is recognised as discount or premium over the period of the contract .		
c Derivative transactions :		
The Company uses forward exchange contracts to hedge its exposure in foreign currency : -		
a) Forward exchange contracts outstanding as at 31 st March, 2012		
- Euro 3,44,043 equivalent to ₹	182.55	99.32
- Japanese Yen 67,92,967 equivalent to ₹	43.71	22.82
- USD 10,73,239 equivalent to ₹	543.05	95.06
b) Foreign currency exposures not covered by Forward exchange contracts as at 31 st March, 2012		
- Euro 2,27,719 equivalent to ₹	151.63	156.88
- Japanese Yen-Nil equivalent to ₹	-	4.47
- USD 1,64,759 equivalent to ₹	81.82	337.04

The amendment introduced to AS 11 by Government of India on 31st March, 2009 allowing the loss/profit on restatement of External Commercial Borrowings made for acquisition of capital assets to be deducted from or added to cost of capital asset is not applicable to the Company as it has no External Commercial Borrowings for acquisition of capital assets. Similarly Company has not availed External Commercial Borrowings for purposes other than acquisition of capital assets also.

AS - 12 Accounting for Government Grants

The Company has not received any Government grants during the current accounting year.

AS - 13 Accounting for Investments

Investments are stated at cost. Provision for diminution in value is made only if such a decline is other than temporary in the opinion of the Management. Investment in Shriram Growth Fund(Fund), Chennai - viz., 71,050 units are carried at par value of ₹1000/- per unit aggregating to ₹ 710.50 lakhs. However the Fund has declared its Net Asset Value as at 31st March 2012 at ₹ 943/- per unit. Thus there is a diminution in value to the extent of ₹ 57/- per unit aggregating to ₹ 40.50 lakhs. This diminution is not provided for in the accounts as the Management opines that the portfolio is relatively younger in its investment horizon of 4-5 years with life of the Fund of 7 years with returns commencing from year 4 onwards and hence the fall in value is only temporary. This opinion is based on the fact that the fund returns will start to rise steeply and growth fund will make positive returns soon.



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
<p>The investment worth of 50,000 equity shares invested in Tumkur Property Holdings Limited, Chennai aggregates to ₹ 3.14 lakhs against cost of ₹ 5 lakhs. The diminution amounts to ₹ 1.86 lakhs. This is also not provided for as the Management has long term strategy to make this wholly owned subsidiary profitable.</p> <p>AS - 14 Accounting for amalgamation</p> <p>This Standard is not applicable to the Company for the year under review.</p> <p>AS - 15 Accounting for Retirement Benefits</p> <p>As per Accounting Standard 15 on "Employee Benefits", the disclosures of Employee benefits as defined in the Accounting Standard are given below:</p> <p>(a) Short term Employee Benefits</p> <p>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.</p> <p>(b) Long term Employee Benefits</p> <p>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.</p> <p>Post retirement benefits comprising of employees Provident Fund and Gratuity Fund are accounted for as follows:</p> <p>(a) Provident Fund : This is a defined contribution plan and contributions paid to the fund are charged to revenue during the period in which the employee renders the related service. The Company has no further obligations for future provident fund benefits other than regular contributions.</p> <p>(b) Gratuity: This is a defined contribution 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 using the Projected Unit Credit Method. The contribution paid thereof is charged in the books of accounts.</p> <p>Disclosure as per AS15 revised – Defined benefit Plans</p>	<p>155.17</p> <p>85.96</p> <p>6.43</p> <p>10.52</p> <p>(15.00)</p>	<p>85.96</p> <p>80.67</p> <p>5.60</p> <p>9.31</p> <p>(17.44)</p>

Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
Acquisitions	60.76	-
Plan amendment cost	-	18.45
Actuarial Gain/(Loss) on obligation	6.50	(10.64)
Present Value of the obligation as at Balance Sheet date	155.17	85.96
Fair value of planned assets as at the beginning of the year	90.22	85.42
Expected Return on planned assets	8.33	7.84
Contributions	13.62	15.35
Benefits paid	(15.00)	(17.44)
Acquisitions	60.76	-
Actuarial Gain/(Loss) on planned assets	(0.30)	(0.95)
Fair value of planned assets as at Balance Sheet date	157.63	90.22
Amounts recognized in the Balance Sheet		
Present Value of the obligation as at Balance Sheet date	155.17	85.96
Fair value of planned assets as at Balance Sheet date	157.63	90.22
Funded status of the plan - (assets) / Liability	(2.46)	(4.26)
Amounts recognized in the Statement of Profit and Loss		
Current Service cost	10.52	9.31
Interest cost	6.43	5.60
Expected Return on planned assets	(8.33)	(7.84)
Net actuarial gain or loss recognized in the year	6.81	(9.69)
Expenses recognized in the statement of Profit and Loss	15.43	15.83
Principal actuarial assumptions		
Discount Rate	8.77%	8.20%
Salary escalation	5.00%	5.00%
Expected return on planned assets	9.30%	9.30%

AS - 16 Borrowing cost

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

AS - 17 Segment reporting

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



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
AS - 18 Related Party disclosure		
Disclosure is made as per the requirements of the Standard and as per the clarifications issued by the Institute of Chartered Accountants of India.		
AS - 19 Leases		
This Standard is not applicable as the Company does not have any finance lease agreement in force.		
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.		
Profit after tax	139.61	154.44
Weighted number of equity shares - Nos.	1,76,72,818	1,76,72,818
Nominal value of the shares	₹ 10/-	10/-
(i) Earnings per share - Basic	0.79	0.87
(ii) Earnings per share - Diluted	0.79	0.87
AS - 21 Consolidated Financial Statements		
Consolidated Financial Statements of the Company and its Wholly owned Subsidiaries viz., Tumkur Property Holdings Limited, Chennai and Prime Property Holdings Limited, Chennai are enclosed.		
AS - 22 Accounting for taxes on income		
Provision for current tax is made after taking into consideration benefits admissible under the provision of Income Tax Act, 1961. Current tax is calculated as per provision of Section 115JB viz., Minimum Alternate Tax.		
Deferred tax liability resulting from timing differences between book and taxable profit is accounted for, using the tax rates in force as on the Balance Sheet date.		
AS - 23 Accounting for Investments in Associates in Consolidated Financial Statements		
This Standard is not applicable to the Company for the year under review.		
AS - 24 Discontinuing Operations		
In respect of Contract Manufacturing Services business which was sold during 2007, the details of liabilities carried over in the financial statements are furnished below:		

Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
Liabilities in respect of discontinued operations		
Opening Balance on 01.04.2011	20.46	38.98
Less: Discharged during the current year	-	18.52
Closing balance as on 31.03.2012	20.46	20.46
No expenditure has been incurred during the current year relating to the above discontinued business. (Previous year ₹ 0.91 lakhs).		
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 principle as laid down in the Standard have been followed in the preparation of these results.		
AS - 26 Intangible Assets		
The Company owns Intellectual Property Rights & Business Rights relating to its service business and the same is amortised over a period of ten years @ 9.5% per annum.		
During the year, the Company has acquired from TVS-E Servicetec Limited, Chennai, its Customer Support Service Business alongwith Assets and Liabilities on a going concern basis effective 1 st October ,2011. The assets and liabilities of the acquired business have been taken over at fair value and the difference between the consideration and fair value of net assets acquired, aggregating to ₹ 3263 Lakhs represents value of Business Rights.		
AS - 27 Financial Reporting of Interest in Joint Ventures		
This Standard is not applicable to the Company.		
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 - ₹ 328.17 lakhs (Previous Year - ₹275.44 Lakhs).		
Contingent liabilities are disclosed in Note no.5 and Contested liabilities are disclosed in Note no.6		
AS - 30 Financial Instruments: Recognition and Measurement		
This Standard is not applicable for the year under review.		
AS - 31 Financial Instruments: Presentation		
This Standard is not applicable for the year under review.		



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
AS - 32 Financial Instruments: Disclosures		
This Standard is not applicable for the year under review.		
2 Previous year figures have been regrouped wherever necessary to conform to current year's classification.		
3 Deposits include		
Deposits with (a) Post Office and Telephones	0.91	0.71
(b) Sales Tax	2.83	72.24
4 Current Liabilities		
There are 2 Micro and Small Enterprises, with whom the Company had transactions. However dues to them as at Balance Sheet date is ₹ NIL (Previous year ₹ Nil). This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act, 2006), has been determined to the extent such parties have been identified on the basis of information available with the Company.		
i) Principal amount due to suppliers under MSMED Act, 2006 as at 31st March, 2012	-	-
ii) Interest accrued and due to suppliers under MSMED Act, 2006 on the above amount as at 31 st March, 2012	-	-
iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year.	7.37	2.79
iv) Interest paid to suppliers under MSMED Act, 2006 (other than Section 16).	0.03	0.21
v) Interest paid to suppliers under MSMED Act, 2006 (Section 16).	-	0.61
vi) Interest due and payable to suppliers under MSMED Act, 2006 for payments already made.	-	-
vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006.	-	-
5 Contingent liabilities and Commitments not provided for		
a Contingent Liabilities		
Claims against the Company not acknowledged as debt	49.22	127.50
Guarantees	229.30	296.74
Other money for which the company is contingently liable		
On Letters of Credit opened with Banks	2,821.79	2,433.18
Central Excise Duty	45.62	45.62
Customs Duty (Including Special Additional Duty of ₹ 41.26 Lakhs)	339.06	339.06
Service Tax	2.78	2.78

Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
b Commitments		
Estimated amount of contracts remaining to be executed on capital account	11.21	2.70
Capital commitment made to TVS Shriram Growth Fund, Chennai	-	1,050.00
6 Liability disputed not provided for		
a) Sales Tax	221.95	306.98
b) Central Excise Duty	13.23	13.23
c) Customs Duty (Special Additional Duty)	10.25	10.25
d) Income Tax	478.09	1,522.24
e) Service Tax	121.15	121.15
7 Payment to Auditors		
a) As Auditor	10.36	8.27
b) For taxation matters	2.42	1.65
c) For company law matters	0.28	-
d) For other services	1.47	0.55
e) Reimbursement of expenses	1.30	3.83
Total	15.83	14.30
8 Other expenses in excess of ₹ 1,00,000 or 1% of Revenue from operations whichever is higher		
a) Travelling & conveyance	326.78	269.58
b) Carriage outwards	397.44	273.53
c) Sales commission, discounts	1,115.10	1,187.72
d) Other selling expenses including warranty expenses	958.47	717.08
e) Management service fees	614.19	476.32
f) Software & data processing charges	351.61	154.72
9 Miscellaneous Income includes		
Business Auxillary Services / Management Services TDS ₹6.28 Lakhs (Previous year - ₹ 8.85 Lakhs)	62.16	103.81
10 Details of Revenue/Capital Expenditure incurred for "In House" R & D Unit		
a) Revenue Expenditure incurred under the following heads of account		
Salaries, Wages & Allowances	68.53	79.31
Travelling & Conveyance	8.39	6.89
Product Development	22.04	24.22
Tools & Accessories	0.04	0.64



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
Stores Consumables	0.11	0.30
Consultancy & Technology	9.32	16.12
Reliability Testing, Field Tests & Trials	6.45	8.28
Miscellaneous Expenses	1.76	0.94
	116.64	136.70
b) Capital Expenditure		
Addition to Fixed assets		
Office Equipments	0.41	0.83

11 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 Limited, Madurai
(Holding Company of Sundaram-Clayton Limited, Chennai)

01.04.2011 to 31.03.2012

Sundaram-Clayton Limited, Chennai
(Holding Company of TVS Investments Limited, Chennai)

01.04.2011 to 31.03.2012

TVS Investments Limited, Chennai
(Holding Company of Reporting Entity)

01.04.2011 to 31.03.2012

Wholly owned Subsidiaries

Tumkur Property Holdings Limited, Chennai

01.04.2011 to 31.03.2012

Prime Property Holdings Limited, Chennai

01.04.2011 to 31.03.2012

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

Fellow Subsidiaries

TVS Motor Company Limited, Chennai

01.04.2011 to 31.03.2012

Sundaram Auto Components Limited, Chennai

01.04.2011 to 31.03.2012

TVS Capital Funds Limited, Chennai - (Subsidiary of TVS Investments Limited, Chennai)

01.04.2011 to 31.03.2012

TVS-E Access India Limited, Chennai -(Subsidiary of TVS Investments Limited, Chennai)

01.04.2011 to 31.03.2012

TVS-E Servicetec Limited, Chennai -(Subsidiary of TVS Investments Limited, Chennai)

01.04.2011 to 31.03.2012

Sravanaa Properties Limited, Chennai - Subsidiary of TVS Investments Limited, Chennai)

01.04.2011 to 31.03.2012

Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
C) Particulars of transactions with Related Parties		
(i) Purchases made		
Holding Company		
Sundaram-Clayton Limited, Chennai	32.97	212.35
(ii) Services availed		
Holding Companies		
T.V. Sundram Iyengar & Sons Limited, Madurai.	-	0.06
Sundaram-Clayton Limited, Chennai	7.26	14.83
TVS Investments Limited, Chennai	487.03	494.96
Fellow Subsidiaries		
TVS-E Servisetec Limited, Chennai	263.57	580.30
TVS Capital Funds Limited, Chennai	1.23	0.71
(iii) Sale of Materials / Fixed Assets		
Fellow Subsidiary		
TVS-E Servisetec Limited, Chennai	156.74	25.87
Holding Companies		
Sundaram-Clayton Limited, Chennai	-	30.39
TVS Investments Limited, Chennai	-	0.04
(iv) Services rendered		
Fellow Subsidiaries		
TVS Motor Company Limited, Chennai	49.03	0.47
TVS-E Servisetec Limited, Chennai	220.60	128.61
TVS Capital Funds Limited, Chennai	7.89	-
Holding Companies		
Sundaram-Clayton Limited, Chennai	18.14	-
TVS Investments Limited, Chennai	8.03	31.58
(v) Rent paid		
Fellow Subsidiary		
Sravanaa Properties Limited, Chennai	2.70	2.85
(vi) Rent Received		
Holding Company		
Sundaram-Clayton Limited, Chennai	-	3.31
Fellow Subsidiary		
TVS-E Servisetec Limited, Chennai	1.09	-



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
(vii) Interest paid /payable on Inter Corporate Deposits received during the current year		
Fellow Subsidiary		
TVS-E Servicetec Limited, Chennai	2.33	-
(viii) Inter Corporate Deposits received and paid back by the Company during the current year		
Holding Company		
TVS Investments Limited, Chennai (Received ₹ 435 Lakhs and repaid ₹ 235 Lakhs)	200.00	-
(ix) Contribution to TVS Shriram Growth Fund, Chennai (Investment)		
Contribution during the year	1,050.00	1,050.00
Redemption during the year	89.50	-
(x) Amount outstanding as at Balance Sheet date		
a) Sundry Debtors		
Holding Companies		
Sundaram-Clayton Limited, Chennai (more than 6 months - ₹ 4.64 Lakhs)	5.06	0.58
Fellow Subsidiaries		
TVS Motor Company Limited, Chennai (more than 6 months - ₹ 0.18 Lakhs)	4.97	0.01
TVS-E Access India Limited, Chennai (more than 6 months - ₹ 28.00 Lakhs)	28.00	28.00
Sundaram Auto Components Limited, Chennai	-	0.12
TVS Capital Funds Limited, Chennai (more than 6 months - ₹ Nil)	7.89	-
TVS-E Servicetec Limited, Chennai (more than 6 months- ₹ Nil)	172.45	78.39
Wholly owned Subsidiaries		
Prime Property Holdings Limited, Chennai - Due under 'Contractual Obligation'.	330.00	330.00
Prime Property Holdings Limited, Chennai - Due under 'Loan'.	112.00	112.00
Tumkur Property Holdings Limited, Chennai	-	0.17
b) Sundry Creditors		
Holding Companies		
Sundaram-Clayton Limited, Chennai	3.61	4.49
TVS Investments Limited, Chennai	65.89	73.56
Fellow Subsidiary		
TVS-E Servicetec Limited, Chennai	58.17	-

Notes on Accounts (Contd.)

12 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. 2012		Year ended 31.03. 2011	
		Quantity	Value	Quantity	Value
I	RAW MATERIALS & COMPONENTS CONSUMED				
1	Raw Material & Intermediates & Components Consumed				
	i) Integrated Circuits (Nos)	3,72,657	236.83	2,67,732	87.86
	ii) Miscellaneous Items (which do not individually account for more than 10% of the value of the consumption)		9,615.68		9,341.28
	Total		9,852.51		9,429.14
	Particulars	% of total consumption	Amount	% of total consumption	Amount
2	Consumption of Raw Materials & Components				
	a) Imported	45.20%	4,453.33	42.41%	3,998.90
	b) Indigenous	54.80%	5,399.18	57.59%	5,430.24
	Total	100.00%	9,852.51	100.00%	9,429.14
II	Consumption of Machinery Spares				
	a) Imported	48.80%	19.39	43.12%	18.95
	b) Indigenous	51.20%	20.34	56.88%	25.00
	Total	100.00%	39.73	100.00%	43.95
III	Imports (CIF VALUE)				
	a) Raw materials		62.87		56.16
	b) Spares, Stores and Components		2,546.39		2,335.32
	c) Capital goods		3.54		8.57
	d) Traded goods		2,706.21		1,870.58
	Total		5,319.01		4,270.63



Notes on Accounts (Contd.)

₹ in lakhs

	As at / Year ended 31.03.2012	As at / Year ended 31.03.2011
IV OTHER EXPENDITURE IN FOREIGN CURRENCY		
Salaries	26.16	31.36
Staff Welfare	0.04	0.42
Rent	2.48	5.62
Rates & Taxes	0.36	5.09
Repairs & Maintenance	1.45	0.48
Travel & Conveyance	14.94	10.43
Communication expenses	0.75	1.56
Other selling expenses	0.09	0.10
Consultancy, Legal fee & Retainers	0.81	1.57
Subscriptions	-	0.04
Bank charges	0.14	0.11
Research and Development	-	0.01
Sitting fees	0.03	-
Stationary	0.12	-
	Quantity Nos.	Quantity Nos.
V SALE BY CLASS OF GOODS		
(a) Computer Peripherals	6,49,336	6,11,748
(b) Income on Services rendered	1,718.19	189.27
(c) Service, Spares & others	3,913.44	2,652.67
	21,914.91	18,140.36
VI EARNINGS IN FOREIGN EXCHANGE		
Exports (on F.O.B. basis)	84.56	-
	84.56	-

Notes on Accounts (Contd.)

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

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

₹ in lakhs

Description	Year ended 31st March, 2012				Year ended 31st March, 2011							
	Opening stock		Production / Purchases meant for Sale		Closing stock		Opening stock		Production / Purchases meant for Sale		Closing stock	
	Quantity Nos	Value	Quantity Qos	Value	Quantity Nos	Value	Quantity Nos	Value	Quantity Nos	Value	Quantity Nos	Value
(A) MANUFACTURED ITEMS												
a) Uninterruptible power supplies	34	0.07			428	10.72					34	0.07
b) Computer Peripherals	14,424	120.96	349,669	277.27	15,779	123.14	308,077				14,424	120.96
c) Others		24.87		84.05		88.47						24.87
		145.90		-		222.33						145.90
(B) TRADED ITEMS												
a) Uninterruptible power supplies												
b) Computer Peripherals	20,429	342.40	3,16,452	515.71	59,245	354.48	2,63,500				20,429	342.40
c) Others		161.97		361.82		190.25						161.97
		504.37		4,708.42		877.53						504.37

Signature to Schedule 1 to 22 and notes there on

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

H.LAKSHMANAN
Director

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

As per our report of even date annexed

Chennai
May 3, 2012

N.YOGESHWARAN
Chief Financial Officer

M.BALASUBRAMANIAM
Partner
Membership No.F. 7945



Disclosure Statement

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

(i) Disclosure in respect of Loans and Advances/Investments to Parent/Subsidiary/Associate companies during the year.

₹ In Lakhs

Particulars	Name of the Parent/Subsidiary/ Associate Company	Amount Outstanding as on 31st March, 2012	Maximum amount due at any one time of the year	Remarks
A.LOANS AND ADVANCES**				
1. Loans and Advances in the nature of Loans made to Parent Company				
2.Loans and Advances in the nature of Loans made to Subsidiary				
3.Loans and Advances in the nature of Loans made to Associates				
4.Loans and Advances in the nature of loans made to firms/companies in which the Directors of the Company are interested				
B.INVESTMENTS				
1. Investment made in Parent Company				
2.Investments made in Associate Company				
3.Investments made in Subsidiary Company (including application money pending allotment)	Tumkur Property Holdings Limited, Chennai	5.00	5.00	
	Prime Property Holdings Limited, Chennai	5.00	5.00	

(II) Disclosure in respect of Loans and Advances /Investments by Parent/Subsidiary/Associate companies during the year.

A.LOANS AND ADVANCES**				
1. Loans and Advances in the nature of Loans made to Parent Company				
2.Loans and Advances in the nature of Loans made to Subsidiary	Prime Property Holdings Limited, Chennai	112.00	112.00	
3.Loans and Advances in the nature of Loans made to Associates				
B.INVESTMENTS				
1. Investment made by Parent Company	TVS Investments Limited, Chennai	1,055.34	1,055.34	
2.Investments made in Associate Company				

**The above Loans are subject to repayment schedule as agreed between the Company and its loanee and are repayable within seven years and carry interest at agreed rates which are not less than interest stipulated in Section 372A of the Companies Act, 1956.

Investment by the loanee in the shares of the Parent Company and the Subsidiary Company when the Company has made a Loan or Advance in the nature of loan - Nil

Cash Flow Statement

₹ in Lakhs

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional items	161.19	150.96
Adjustment for :		
Depreciation	504.08	396.33
Employee stock option expense	(0.25)	(6.07)
Profit on sale of assets	(4.46)	(2.40)
Loss on sale of assets	54.77	9.90
Interest	627.76	577.51
	1,181.90	975.27
Operating Profit before Working Capital changes	1,343.09	1,126.23
Adjustment for :		
Inventories	(423.87)	184.30
Sundry Debtors	(1,309.93)	1,046.43
Loans and Advances	(391.06)	202.49
Current liabilities and provisions	1,186.64	(99.78)
	(938.22)	1,333.44
Cash generated from operations	404.87	2,459.67
Direct taxes paid net of provision	(33.21)	(13.00)
Net cash from operating activities (A)	371.66	2,446.67
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(3,759.20)	(29.88)
Capital Work-in-Progress	(76.43)	3.15
Sale of Investments	2,700.00	-
New Investments made	(960.50)	(1,050.00)
Exceptional items of expenditure	(20.61)	(87.25)
Sale of fixed assets	37.10	72.99
Net cash from / (used in) investing activities (B)	(2,079.64)	(1,090.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital - Convertible Warrants	19.91	-
(Repayment of Loans)/Loans Received (Net)	2,110.32	(1,635.20)
(Interest paid) (Net)	(627.76)	(577.51)
Dividend paid	-	-
Corporate Dividend tax paid	-	-
Net cash used in financing activities (C)	1,502.47	(2,212.71)
D. NET DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)	(205.51)	(857.03)
Opening Cash and Cash equivalents as at 01.04.2011	624.15	1,481.18
Closing Cash and Cash equivalents as at 31.03.2012	418.64	624.15

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

2 Cash and cash equivalent represents Cash and Bank balances.

3 Interest paid net of receipts 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

H.LAKSHMANAN

Director

As per our report of even date annexed

For SUNDARAM & SRINIVASAN

Chartered Accountants

Firm Registration No: 004207S

Chennai

May 3, 2012

N.YOGESHWARAN

Chief Financial Officer

M BALASUBRAMANIAM

Partner

Membership No: F 7945



Statement relating to Subsidiaries

Statement under Section 212 of the Companies Act, 1956 relating to Subsidiaries

Particulars	Name of the Subsidiaries	
	Tumkur Property Holdings Limited, Chennai	Prime Property Holdings Limited, Chennai
1. Financial year of the Subsidiary ended on	31st March, 2012	31st March, 2012
2. Shares of Subsidiary held by the Company on 31.03.2012	50,000 equity shares of ₹10/- each fully paid up	50,000 equity shares of ₹10/- each fully paid up
a.Number and face value of equity		
b.Extent of holding	100%	100%
3. Net aggregate amount of Profit / (Loss) of the Subsidiaries for the above financial year of the Subsidiaries not dealt with in the Company's accounts so far as it concerns the members of the holding Company	Amount in ₹	Amount in ₹
a.For the financial year of the Subsidiaries - Profit / (Loss)	(57,791)	(8,23,079)
b.For the previous financial years since they became Subsidiaries - Profit / (Loss)	(1,28,185)	3,05,10,318
4. Net aggregate amount of Profit / (Loss) of the Subsidiaries for the above financial year of the Subsidiaries dealt with in the Company's accounts so far as it concerns the members of the holding Company		
a.For the financial year of the Subsidiaries - Profit / (Loss)	Nil	Nil
b.For the previous financial years since they became Subsidiaries. - Profit / (Loss)	Nil	Nil
5. Change of interest of the Company in the Subsidiaries between the end of the financial year of the Subsidiaries and the financial year of the Company.	Not Applicable	Not Applicable
6. Material changes between the end of the financial year of the Subsidiaries and the end of the financial year of the Company	Not Applicable	Not Applicable
i) Fixed Assets		
ii) Investments		
iii) Money Lent		
iv) Borrowings other than for meeting current liabilities		

For and on behalf of the Board

GOPAL SRINIVASAN
Chairman

Chennai
May 3, 2012

H.LAKSHMANAN
Director

N.YOGESHWARAN
Chief Financial Officer



AUDITORS REPORT ON CONSOLIDATED ACCOUNTS

We have audited the attached Consolidated Balance Sheet of M/s. TVS Electronics Limited, "Jayalakshmi Estates, 29, Haddows Road, Chennai - 600 006 and its two subsidiaries namely i) Prime Property Holdings Limited, Chennai ii) Tumkur Property Holdings Limited, Chennai as at 31st March, 2012 and also the related Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the said subsidiary companies for the year ended 31st March 2012. These statements were audited by other firm of Chartered Accountants whose report has been furnished to us, and our opinion, so far as it relates to these companies is based solely on the report of the other auditor.

We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that

our audit provides a reasonable basis for our opinion.

We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India, on the basis of the individual financial statements of TVS Electronics Limited, Chennai and its 100% subsidiaries - Prime Property Holdings Limited, Chennai and Tumkur Property Holdings Limited, Chennai.

In our opinion, and based on our audit, the Consolidated Financial Statements referred to above give a true and fair view of the financial position of TVS Electronics Limited and its subsidiaries as at 31st March 2012 and of the results of their operations and their cash flows for the year ended on that date, in conformity with the accounting principles generally accepted in India.

For SUNDARAM & SRINIVASAN

Chartered Accountants
Firm Registration No: 004207S

Chennai
May 3, 2012

M BALASUBRAMANIAM

Partner
Membership No. F7945



Consolidated Balance Sheet as at 31st March, 2012

₹ in Lakhs

Particulars	Note no.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	1,767.28	1,767.28
(b) Reserves and surplus	2	2,113.16	1,982.61
(c) Money received against share warrants	1	19.91	-
		3,900.35	3,749.89
2 Non-current liabilities			
(a) Long-term borrowings	3	1,666.00	-
(b) Deferred tax liabilities (Net)		48.31	80.56
(c) Other Long term liabilities	4	392.01	324.29
(d) Long-term provisions	5	357.13	247.92
		2,463.45	652.77
3 Current liabilities			
(a) Short-term borrowings	6	4,942.23	4,497.91
(b) Trade payables		2,100.68	1,378.25
(c) Other current liabilities	7	1,572.16	1,255.92
(d) Short-term provisions	8	139.21	163.07
		8,754.28	7,295.15
TOTAL		15,118.08	11,697.81
II. ASSETS			
Non-current assets			
1 (a) Fixed assets			
(i) Tangible assets	9	1,741.99	1,636.27
(ii) Intangible assets		3,222.31	160.33
(iii) Capital work-in-progress		76.43	-
(b) Non-current investments	10	801.32	2,540.82
(c) Long-term loans and advances	11	3,809.42	3,587.03
		9,651.47	7,924.45
2 Current assets			
(a) Inventories	12	1,763.04	1,339.17
(b) Trade receivables	13	2,885.02	1,574.92
(c) Cash and cash equivalents	14	578.34	780.85
(d) Short-term loans and advances	15	240.21	78.42
		5,466.61	3,773.36
TOTAL		15,118.08	11,697.81
Notes on Accounts	22		

For and on behalf of the Board

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

H.LAKSHMANAN
Director

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

Chennai
May 3, 2012

N.YOGESHWARAN
Chief Financial Officer

M BALASUBRAMANIAM
Partner
Membership No: F 7945



Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

₹ in Lakhs

Particulars	Note no.	Year ended 31.03.2012	Year ended 31.03.2011
I. Revenue from operations	16	21,661.46	18,161.90
II. Other income	17	382.48	207.66
III. Total Revenue (I + II)		22,043.94	18,369.56
IV. Expenses:			
Cost of materials consumed	18	10,065.87	9,355.14
Purchases of Stock-in-Trade	18	4,335.26	2,530.31
Changes in inventories of finished goods, work-in-process & Stock-in-Trade	18	(213.36)	74.00
Employee benefits expense	19	1,775.66	1,123.39
Finance costs	20	658.66	622.58
Depreciation and amortization expense		504.08	396.33
Other expenses	21	4,764.65	4,121.69
Total expenses		21,890.82	18,223.44
V. Profit before exceptional items and tax (III-IV)		153.12	146.12
VI. Exceptional items - Loss on sale of unused assets		20.61	62.25
VII. Profit before tax (V-VI)		132.51	83.87
VIII Tax expense:			
(1) Current tax		33.76	13.63
(2) Deferred tax		(32.25)	(103.73)
(3) Tax relating to earlier years		0.20	-
IX Profit/(Loss) for the period from continuing operations (VII-VIII)		130.80	173.97
X Profit/(loss) from discontinuing operations - Warranty expenses		-	(25.00)
XI Profit/(Loss) for the period (XI + XIV)		130.80	148.97
XII Earnings per equity share:			
(1) Basic		0.74	0.85
(2) Diluted		0.74	0.85
Notes on Accounts	22		

For and on behalf of the Board

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

H.LAKSHMANAN
Director

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

Chennai
May 3, 2012

N.YOGESHWARAN
Chief Financial Officer

M BALASUBRAMANIAM
Partner
Membership No: F 7945

Notes to Consolidated Balance Sheet

Note no. 1 - Share Capital

Particulars	As at 31.03.2012		As at 31.03.2011	
	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	1,76,72,818	1,767.28	1,76,72,818	1,767.28
Subscribed & Paid up				
1,76,72,818 Equity Shares of ₹10 each fully paid	1,76,72,818	1,767.28	1,76,72,818	1,767.28
Total	1,76,72,818	1,767.28	1,76,72,818	1,767.28

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

Particulars	Equity Shares	
	Number	₹ in lakhs
Shares outstanding at the beginning of the year	1,76,72,818	1,767.28
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	1,76,72,818	1,767.28

Right and preferences attached to equity share:

- (i) Every shareholder is entitled to such rights as to attend the meeting of the shareholders, to receive dividends distributed and also has a right in the residual interest of the company. Every shareholder is also entitled to right of inspection of documents as provided in the Companies Act, 1956.
- (ii) There are no restrictions attached to the equity shares.

Money received against share warrants: This is in respect of 3,50,000 warrants. The holder of the warrants has the option to exercise the right to be allotted equal number of Equity shares of par value of ₹10/- each at a premium of ₹12.75 per equity share. The aggregate price of warrants is ₹79.62 Lakhs. As per terms of allotment 25% is to be paid immediately on allotment. Thus a sum of ₹19.91 Lakhs is received on 3rd October, 2011 viz., the date of allotment. Each warrant carries an option for conversion into equity. The option can be exercised in respect of any number of warrants. The conversion option is to

be exercised before 2nd April, 2013. In case the warrant holder does not exercise the option before the said date the option to that extent not exercised shall lapse and the consideration paid in respect of such warrants shall be forfeited. Pending allotment of equity shares the warrants do not bear any interest. The equity shares allotted on exercise of option shall rank pari passu in all respects with the then existing fully paid up equity shares. The warrants allotted and equity shares allotted pursuant to the exercise of option shall be locked-in for a period of one year from the date of their allotment.

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 31.03.2012	As at 31.03.2011
TVS Investments Limited, Chennai	1,05,53,449	1,05,53,449

Details of shareholders holding more than five percent shares

Name of Shareholder	As at 31.03.2012	As at 31.03.2011
	No. of Shares held	No. of Shares held
TVS Investments Limited, Chennai	1,05,53,449	1,05,53,449

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no.2 - Reserves & Surplus		
a. Capital Reserves		
Balance at the beginning of the year	60.60	60.60
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Capital Reserve on Consolidation	0.04	0.04
Closing Balance	60.64	60.64
b. Securities Premium Account		
Balance at the beginning of the year	1,281.92	1,281.92
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
Premium on Redemption of Debentures for Issuing Bonus Shares	-	-
Closing Balance	1,281.92	1,281.92
c. Share Options Outstanding Account		
Balance at the beginning of the year	0.25	6.32
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	0.25	6.07
Closing Balance	0.00	0.25
d. Other Reserves:		
General Reserve		
Balance at the beginning of the year	349.58	349.58
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	349.58	349.58
e. Investment Subsidy		
Balance at the beginning of the year	15.00	15.00
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	15.00	15.00
f. Investment Allowance Reserve		
Balance at the beginning of the year	27.46	27.46
(+) Current Year Transfer	-	-
(-) Written Back in Current Year	-	-
Closing Balance	27.46	27.46
g. Share of loss in erstwhile associate companies	(0.47)	(0.47)
	(0.47)	(0.47)
h. Surplus i.e. Balance in the Statement of Profit & Loss		
Balance in the Statement of Profit & Loss as at the beginning of the year	248.23	99.26
(+) Net Profit/(Net Loss) for the current year	130.80	148.97
Closing Balance	379.03	248.23
Total	2,113.16	1,982.61



Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 3 - Long-term borrowings		
Secured		
Term loans		
From banks # (Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)	1,666.00	-
# Loan repayable in twelve quarterly instalments commencing from November 2012		
Total	1,666.00	-
(a) Total Loan repayable over term of loans	2,000.00	
(b) Loan repayable in 2011-12	-	
(c) Balance long-term loan as at 31.03.2011	-	
(d) Description of loan	Corporate Loan	
(e) Frequency of repayment(s)	Quarterly	
(f) No. of instalments	12	
(g) Maturity	01.08.2015	
(h) Total of loans repayable over term of loans	2,000.00	
(i) Loan repayable in 2012-13	334.00	
(j) Balance long-term loan 31.03.2012	1,666.00	
(k) Amount payable in each instalment	167.00	
Note no. 4 - Other Long-Term Liabilities		
Others - Dues to Group Companies	170.17	112.17
Long term advance payable	112.00	112.00
Unexpired AMC	9.84	0.12
Advance received for sale of land	100.00	100.00
Total	392.01	324.29
Note no. 5 Long-Term Provisions		
(a) Provision for employee benefits		
Leave encashment	45.05	9.30
(b) Others :		
Warranty	203.34	134.92
Sales Tax	48.12	48.12
Provision for tax	60.62	55.58
Total	357.13	247.92

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 6 - Short-Term Borrowings		
Secured		
Loans repayable on demand		
From banks	3,200.00	2,387.49
(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)		
	3,200.00	2,387.49
Secured		
From banks	334.00	-
(Secured by first charge on the entire fixed assets of the company and second charge on the company's entire current assets ranking paripassu with other term lenders)		
	334.00	-
Unsecured		
Loans repayable on demand		
From banks	1,408.23	2,110.42
	1,408.23	2,110.42
Total	4,942.23	4,497.91
Note no. 7 - Other Current Liabilities		
Interest accrued and due on borrowings	63.93	28.34
Income received in advance - Unexpired AMC	21.70	25.24
Unpaid dividends	9.60	11.86
Unpaid interest accrued on matured deposits	0.36	0.36
Other payables :		
Statutory Liabilities	236.56	142.97
Retention Money	20.46	20.46
Security Deposits	92.75	21.43
Payroll Deductions	6.75	4.68
Liability towards expenses	1,120.05	1,000.58
Total	1,572.16	1,255.92
Note no. 8 - Short Term Provisions		
Provision for employee benefits		
Leave Encashment	8.31	16.54
Provision for tax	5.67	5.55
Provision for expenses	0.40	0.46
Others:		
Warranty	124.83	140.52
Total	139.21	163.07

Notes to Consolidated Balance Sheet (Contd.)

Note No.9 - Non-Current Assets - Fixed Assets

₹ in lakhs

	Gross Block				Accumulated Depreciation				Net Block	
	Balance as at 01.04.2011	Additions / (Disposals)	Acquired through business combinations	Balance as at 31.03.2012	Balance as at 01.04.2011	Depreciation charge for the year	Withdrawn on disposals	Balance as at 31.03.2012	Balance as at 01.04.2011	
	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	₹ in lakhs	
a										
Fixed Assets										
Tangible Assets										
Land	335.22	-	-	335.22	-	-	-	335.22	335.22	
Land Total	335.22	-	-	335.22	-	-	-	335.22	335.22	
Buildings including improvements	897.71	(237.16)	30.61	691.16	584.19	32.21	236.50	379.90	313.52	
Buildings Total	897.71	(237.16)	30.61	691.16	584.19	32.21	236.50	379.90	313.52	
Plant and Equipment	4,072.58	(22.71)	295.44	3,461.82	3,254.20	143.43	856.13	2,541.50	818.38	
		(928.91)	-							
Plant and Equipment Total	4,072.58	(906.20)	295.44	3,461.82	3,254.20	143.43	856.13	2,541.50	818.38	
Furniture and Fixtures	189.43	0.50	24.39	200.38	115.65	10.47	9.82	116.30	73.78	
		(13.94)	-							
Furniture and Fixtures Total	189.43	(13.44)	24.39	200.38	115.65	10.47	9.82	116.30	73.78	
Vehicles	41.77	0.52	-	29.95	39.29	1.82	11.86	29.25	2.48	
		(12.34)	-							
Vehicles Total	41.77	(11.82)	-	29.95	39.29	1.82	11.86	29.25	2.48	
Office equipment	1,487.94	22.21	32.97	1,522.94	1,395.05	48.28	10.80	1,432.53	92.89	
		(20.18)	-							
Office equipment Total	1,487.94	2.03	32.97	1,522.94	1,395.05	48.28	10.80	1,432.53	92.89	
Others:	-	-	-	-	-	-	-	-	-	
Tangible Assets Additions Total	45.94	-	-	-	-	-	-	-	-	
Tangible Assets Disposals Total	(1,212.53)	-	-	-	-	-	-	-	-	
Total	7,024.65	(1,166.59)	383.41	6,241.47	5,388.38	236.21	1,125.11	4,499.48	1,636.27	
b										
Intangible Assets										
Computer software	-	-	66.94	66.94	-	36.88	-	36.88	-	
Computer software Total	-	-	66.94	66.94	-	36.88	-	36.88	-	
Intellectual Property Rights	800.00	-	-	800.00	639.67	76.00	-	715.67	160.33	
Business Rights	-	3,262.91	-	3,262.91	-	154.99	-	154.99	-	
Intellectual Property and Business Rights Total	800.00	-	3,262.91	4,062.91	639.67	230.99	-	870.66	160.33	
Total	800.00	-	3,329.85	4,129.85	639.67	267.87	-	907.54	160.33	
c										
Capital Work In Progress										
Buildings	-	4.73	-	4.73	-	-	-	-	4.73	
Plant & Equipment	-	71.70	-	71.70	-	-	-	-	71.70	
Total	-	76.43	-	76.43	-	-	-	-	76.43	
Grand Total	7,824.65	(1,090.16)	3,713.26	10,447.75	6,028.05	504.08	1,125.11	5,407.02	1,796.60	

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 10 - Non-Current Investments (At Cost)		
Other Investments - Non Trade		
(a) Investment in Equity instruments	90.82	90.82
(b) Other investments	710.50	2,450.00
Total	801.32	2,540.82
Aggregate cost of unquoted investments	801.32	2,540.82

Details of Other Investments - Non trade

Sl. 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 (%)		Amount (₹) in Lakhs		"Whether stated at Cost Yes / No"	"If Answer to Column (9) is 'No' - Basis of Valuation"
			2012	2011			2012	2011	2012	2011		
(a)	Investment in Equity Instruments											
	Modular Infotech Private Limited, Pune	Others	907,255	907,255	Unquoted	Fully paid			90.73	90.73	Yes	
								90.73	90.73			
(b)	Other investments											
	Capital contribution to TVS Shriram Growth Fund, Chennai	Others	71,050	245,000	Unquoted	Fully paid			710.50	2,450.00	Yes	-
	Pro-rata share in the profit of the erstwhile associate company								0.09	0.09		
	Total								710.59	2,450.09		



Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no.11 - Long Term Loans and Advances - Unsecured, considered good		
a. Capital Advances (a)	9.26	-
b. Security Deposits (b)	2,740.88	2,738.82
c. Loans and advances to related parties (c)	370.17	112.00
d. Others:		
Balance with Statutory Authorities:		
Sales Tax	13.60	13.60
Customs	12.22	12.22
Tax deducted at source net of provisions	482.96	479.90
Advances to Vendors	179.88	224.66
Interest receivable	0.45	5.83
	(d) <u>689.11</u>	<u>736.21</u>
Total (a+b+c+d)	(e) <u><u>3,809.42</u></u>	<u><u>3,587.03</u></u>
Note no. 12 - Inventories		
a. Raw Materials and components (at Cost)		
Components	506.41	634.68
Indirect material	17.41	18.70
Goods-in transit	-	33.09
	<u>523.82</u>	<u>686.47</u>
b. Work-in-process (at Cost) - Computer Peripherals	<u>0.37</u>	<u>2.43</u>
	<u>0.37</u>	<u>2.43</u>
c. Finished goods (at Cost or Net realisable value whichever is lower)		
Manufactured	361.32	145.90
Traded	877.53	504.37
	<u>1,238.85</u>	<u>650.27</u>
Total	<u><u>1,763.04</u></u>	<u><u>1,339.17</u></u>

Notes to Consolidated Balance Sheet (Contd.)

₹ in Lakhs

Particulars	As at 31.03.2012	As at 31.03.2011
Note no. 13 - Trade Receivables		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	2,538.95	1,088.17
	2,538.95	1,088.17
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	346.07	486.75
Unsecured, considered doubtful	105.23	69.72
	451.30	556.47
Less: Provision for doubtful debts	105.23	69.72
	346.07	486.75
Total	2,885.02	1,574.92
Note no. 14 - Cash and Cash equivalents		
a. Balances with banks	567.14	762.96
b. Cheques, drafts on hand	0.76	5.35
c. Cash on hand	0.84	0.68
d. Earmarked balances with banks (Unpaid dividend)	9.60	11.86
	578.34	780.85
Note no. 15 - Short-term loans and advances		
Others (Unsecured, considered good)		
Balance with Statutory Authorities:		
Sales Tax	158.39	30.57
Central Excise	8.47	1.79
Prepaid expenses	59.27	34.70
Due from Employees	14.08	11.36
	240.21	78.42



Notes to Consolidated Statement of Profit and Loss

₹ in Lakhs

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Note no.16 - REVENUE FROM OPERATIONS		
Sale of products	20,322.98	18,073.61
Sale of services	1,463.45	176.10
Other operating revenues	8.70	21.53
	<u>21,795.13</u>	<u>18,271.24</u>
Less:		
Excise duty	133.67	109.34
Total	<u>21,661.46</u>	<u>18,161.90</u>
Note no.17 - OTHER INCOME		
Interest Income	17.27	68.76
Other non-operating income	365.21	138.90
Total	<u>382.48</u>	<u>207.66</u>
Note no.18 - 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	653.38	743.01
b) Add: Purchases *	9,936.31	9,265.51
	<u>10,589.69</u>	<u>10,008.52</u>
c) Less: Closing stock	523.82	653.38
Total (A)	<u>10,065.87</u>	<u>9,355.14</u>
B) CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROCESS & STOCK-IN-TRADE		
a) Opening stock		
Work-in-process	2.43	-
Finished Goods	145.90	222.33
	<u>148.33</u>	<u>222.33</u>
	(i)	
b) Closing stock:		
Work-in-process	0.37	2.43
Finished Goods	361.32	145.90
	<u>361.69</u>	<u>148.33</u>
	(ii)	
Total (B)	<u>(213.36)</u>	<u>74.00</u>
	[(i) - (ii)]	
GRAND TOTAL [A + B]	<u>9,852.51</u>	<u>9,429.14</u>
PURCHASES OF STOCK-IN-TRADE		
a) Opening stock	504.37	544.73
b) Add: Purchases **	4,708.42	2,489.95
	<u>5,212.79</u>	<u>3,034.68</u>
c) Less: Closing stock	877.53	504.37
Consumption of Traded Items	<u>4,335.26</u>	<u>2,530.31</u>

* Components and parts of Computer Peripherals

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

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

₹ in Lakhs

Particulars	Year ended 31.03.2012	Year ended 31.03.2011
Note no.19 - EMPLOYEE BENEFITS		
Salaries and wages	1,579.43	980.58
Contributions to Provident & other funds	98.33	58.76
Welfare expenses	97.90	84.05
Total	1,775.66	1,123.39
Note no.20 - FINANCE COSTS		
Interest expense	627.76	577.50
Other borrowing costs - Loan processing charges	30.90	45.08
Total	658.66	622.58
Note no.21 - OTHER EXPENSES		
Consumption of stores and spares	55.56	47.54
Power and Fuel	72.17	52.47
Rent	281.86	201.29
Repairs & Maintenance - Building	119.84	86.98
Repairs & Maintenance - Plant & Equipment	16.98	13.88
Repairs & Maintenance - Office Equipments	145.42	139.56
Repairs & Maintenance - Vehicle	2.98	1.36
Insurance	44.66	31.62
Rates and Taxes (excluding taxes on income)	46.71	46.30
Audit Fees	16.17	14.64
Directors Sitting Fees	2.10	1.50
Loss on Sale of Assets	54.77	9.90
Carriage Outward	397.44	273.53
Sales commission, discounts	1,115.10	1,183.10
Warranty and Selling	279.33	482.96
Marketing	129.68	234.10
Travelling & Conveyance	326.79	269.59
Legal & Consultancy	721.91	553.43
Data Processing	351.61	154.71
Miscellaneous expenses	583.57	323.23
Total	4,764.65	4,121.69



Consolidated Cash Flow Statement

₹ in Lakhs

	Year ended 31.03.2012	Year ended 31.03.2011
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax and exceptional items	153.13	146.12
Adjustment for :		
Depreciation	504.08	396.33
Employee stock option expense	(0.25)	(6.07)
Profit on sale of assets	(4.46)	(2.40)
Loss on sale of assets	54.77	9.90
Interest	627.76	577.50
	1,181.90	975.26
Operating Profit before Working Capital changes	1,335.03	1,121.38
Adjustment for :		
Inventories	(423.87)	184.30
Sundry Debtors	(1,310.10)	1,046.43
Loans and Advances	(384.18)	(3.79)
Current liabilities and provisions	1,191.74	(240.13)
Preliminary Expenses	-	0.81
	(926.41)	987.62
Cash generated from operations	408.62	2,109.00
Direct taxes paid net of provision	(33.96)	(13.63)
Net cash from operating activities (A)	374.66	2,095.37
B. CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Assets	(3,759.20)	(29.88)
Capital Work-in-Progress	(76.43)	3.15
Sale of Investments	2,700.00	-
New Investments made	(960.50)	(1,050.00)
Exceptional items of expenditure	(20.61)	(87.25)
Sale of fixed assets	37.10	72.99
Net cash from / (used in) investing activities (B)	(2,079.64)	(1,090.99)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Equity Share Capital - Convertible Warrants	19.91	-
(Repayment of Loans)/Loans Received (Net)	2,110.32	(1,635.20)
(Interest paid) (Net)	(627.76)	(577.50)
Dividend paid	-	-
Corporate Dividend tax paid	-	-
Net cash used in financing activities (C)	1,502.47	(2,212.70)
D. NET DECREASE IN CASH AND CASH EQUIVALENT (A+B+C)	(202.51)	(1,208.32)
Opening Cash and Cash equivalents as at 01.04.2011	780.85	1,989.17
Closing Cash and Cash equivalents as at 31.03.2012	578.34	780.85

Notes : 1 The above statements have been prepared in indirect method. 2 Cash and cash equivalent represents Cash and Bank balances. 3. Interest paid net of receipts 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

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

H.LAKSHMANAN
Director

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

Chennai
May 3, 2012

N.YOGESHWARAN
Chief Financial Officer

M BALASUBRAMANIAM
Partner
Membership No: F 7945

22. Accounting Policies adopted in the preparation of Consolidated Accounts

A. Principles of Consolidation

The consolidated accounts relate to TVS Electronics Limited, Chennai (Parent Company) and 100% subsidiaries - Prime Property Holdings Limited, Chennai and Tumkur 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.

B. Details of subsidiary companies 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	31.03.2012	100%
Tumkur Property Holdings Limited, Chennai	India	31.03.2012	100%

C. 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 form part of the Consolidated financial statements.

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



DISCLOSURE OF INFORMATION RELATING TO SUBSIDIARIES

The Ministry of Corporate Affairs, Government of India, vide general circular No.2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to fulfillment of certain

conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular including the disclosure of information of Subsidiaries in the consolidated financial statements of the Company.

₹ in lakhs

Particulars	Prime Property Holdings Limited		Tumkur Property Holdings Limited	
	Year ended 31.03.2012	Year ended 31.03.2011	Year ended 31.03.2012	Year ended 31.03.2012
1. Share Capital - Equity	5.00	5.00	5.00	5.00
2. Reserves and Surplus \$	296.87	305.10	(1.86)	(1.28)
3. Total Liabilities *	613.16	608.05	0.17	0.33
4. Total Assets +	915.03	918.15	3.31	4.05
5. Investments	-	-	-	-
6. Gross Income	7.73	8.28	-	-
7. Profit/(Loss) before Tax #	(7.48)	(4.26)	(0.58)	(0.58)
8. Provision for taxation - Current #	(0.75)	(0.63)	-	-
9. Profit/(Loss) after tax #	(8.23)	(4.89)	(0.58)	(0.58)
10. Divident/Proposed Dividend including dividend tax	-	-	-	-

\$ Reserves and Surplus is net of debit balance in Profit and Loss Account

* Total Liabilities includes Current Liabilites & Provisions

+ Total Assets includes Net Fixed Assets, Current Assets and Miscellaneous Expenditure

Financial results for the year 2011 have been regrouped/reclassified wherever necessary as per the requirements of revised Schedule VI.

TVS Electronics Limited

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



ATTENDANCE SLIP

Please hand over this attendance slip at the entrance of the meeting hall

NAME AND ADDRESS OF THE SHAREHOLDER

Number of Shares held

Client ID Folio No.

(Strike whichever not applicable)

NAME OF THE PROXY (IN CAPITAL LETTERS)

17th ANNUAL GENERAL MEETING
4th August, 2012 at 10.35 AM
Sri Thyaga Brahma Gana Sabha (Vani Mahal)
No.103, G N Chetty Road, T. Nagar
Chennai - 600 017

Member Proxy

I hereby record my presence at the Meeting

Signature of the Member or Proxy

TVS Electronics Limited

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



PROXY FORM

I/We.....
of.....
in the district of.....being member(s) of
TVS ELECTRONICS LIMITED hereby appoint.....of.....
in the district of.....
or failing him/her.....of.....
in the district of.....
as my/our proxy to vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company to be held on Saturday, the 4th day of August, 2012 at 10.35AM and/or at any adjournment thereof.
Signed this.....day of2012.

Client ID	Folio No.	Number of Shares held

(Strike whichever not applicable)

Proxy Form must reach company's registered office not later than 48 hours before the commencement of the meeting

FOR OFFICE USE ONLY	
Proxy No.	Date of Receipt

Re. 1/-
Revenue
Stamp
Signature

