



TVS ELECTRONICS LIMITED

Regd. Office: 'Jayalakshmi Estates', No.29, Haddows Road, Chennai - 600 006

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CIN: L30007TN1995PLC032941

Website:www.tvse.in

POSTAL BALLOT

NOTICE

Dear Member(s)

Notice pursuant to Section 110 of the Companies Act, 2013

NOTICE is hereby given pursuant to Section 110 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing agreement with Stock Exchanges, that the Company is seeking the assent or dissent of the members in writing on a postal ballot or through electronic means for the following resolutions.

1. Appointment of Independent Director as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of Dr. NagendraPalle (DIN: 06964686), as a non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 30th September, 2014 to 29th September 2019, be and is hereby approved."

2. Appointment of Independent Director as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of Mr. M Lakshminarayan (DIN: 00064750), as a non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 6th May, 2015 to 5th May 2020, be and is hereby approved."

3. Appointment of Independent Director as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160, Schedule IV and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, the appointment of Mr. M F Farooqui (DIN: 01910054), as a non-executive Independent Director of the Company, not liable to retire by rotation, to hold office for a term of five consecutive years from 6th May, 2015 to 5th May 2020, be and is hereby approved."

4. Ratification of Cost Auditor's remuneration as an Ordinary Resolution:

"RESOLVED THAT the remuneration of Rs.1.50 Lakhs plus applicable taxes and out of pocket expenses at actuals, payable to Mr. P. Raju Iyer, Cost Accountant (Membership No.6987) who was appointed by the Board of Directors of the Company to conduct cost audit for the financial year 2015-16 in terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, be and is hereby ratified."

5. Approval to grant Stock Options to Managing Director as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions of the Companies Act, 2013, and subject to the previous approval of the Central Government, approval of the Company be and is hereby accorded to the Board of Directors (including Committees thereof) to grant 2,00,000(two Lakhs) Stock Options under the Employees Stock Option Scheme 2011 to Mr. K E Ranganathan (DIN: 00058990), Managing Director, which will entitle him to apply for and be allotted equal number of equity shares of Rs.10/- each as fully paid-up during his current tenure as Managing Director, in addition to his present remuneration as approved through Postal Ballot on 11th April 2014.

RESOLVED FURTHER THAT the Board of Directors (including Committees thereof) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for the purpose of giving effect to this resolution."

By Order of the Board

Chennai
6th May 2015

S Nagalakshmi
Company Secretary

Notes:

1. The Statement of material facts pursuant to Section 102 read with Section 110 of the Companies Act, 2013 setting out all material facts of the businesses specified above is annexed hereto.
2. Voting period commences from 5th July 2015 at 9 am and ends on 3rd August 2015 at 6 pm.
3. Notice is being dispatched to the members by Registered Post / electronic means to those members whose names appear in the Register of Members / Record of Depositories as on 30th June 2015 (cut-off date).
4. The Company has appointed Mr. K Sriram, Practising Company Secretary, Partner, M/s. S Krishnamurthy & Co., Chennai as Scrutinizer for conducting the voting through the Postal Ballot in a fair and transparent manner.
5. Members have the option either to vote through the E-voting process or through the Postal Ballot Form. Members who have received the Postal Ballot Notice by email and who wish to vote through Postal Ballot Form can download Postal Ballot Form from the Company's website "www.tvs-e.in".
6. Please read the instructions given below carefully and exercise your vote.

INSTRUCTIONS FOR VOTING:

A. VOTING THROUGH PHYSICAL POSTAL BALLOT FORM

1. A member desiring to exercise vote by Postal Ballot shall complete the enclosed Postal Ballot Form with assent (for) or dissent (against) and send it to the Scrutinizer in the enclosed self-addressed postage prepaid envelope. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Forms, if deposited in person or sent by courier at the expenses of the members, will also be accepted.
2. The **Postal Ballot Form duly completed** and signed should **be returned** in the enclosed self-addressed postage prepaid envelope directly to the Scrutinizer so as **to reach the Scrutinizer not later than the close of working hours on 3rd August 2015 at 6 pm**. Postal Ballot Forms received after that date and time will be treated as if the reply from such members has not been received.
3. This form should be completed and signed by the sole / first named member. In case of joint holding, this Form should be completed and signed by the first named member and in his absence, by the next named joint holder. The signature of the member on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company. in respect of shares held in the physical form or dematerialized form, respectively.
4. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board Resolution / Authorisation together with attached specimen signature(s) of the duly authorised signatories.
5. Members holding shares in dematerialised form are advised, in their own interest, to get their signatures verified by their Banker / Depository Participant (DP). Signatures should be verified by the Manager of the concerned Bank / DP by affixing a rubber stamp / seal mentioning name and address of the Bank / DP and name, stamp and signature of the Manager.
6. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed envelope as all such envelopes will be sent to the Scrutinizer and any other paper found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
7. The votes should be cast in favour of or against the Resolution by putting the tick mark (✓) in the column provided for assent or dissent. Postal Ballot Form bearing (✓) in both the column will render the form invalid. Incomplete, unsigned, incorrectly filled or bearing more than one Postal Ballot Forms will be subject to rejection by the Scrutinizer.
8. The Postal Ballot shall not be exercised by a Proxy.
9. The Scrutinizer's decision on the validity of the Postal Ballot will be final.

B. E-voting facility

1. The Company is pleased to offer e-voting facility for members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. Members have an option to vote either through e-voting or through Ballot Form. If a member has opted for e-voting, then he/she should not vote by Postal Ballot also and vice-versa. However, **in case members cast their vote both via physical ballot and e-voting, then voting through e-voting shall prevail and voting done by physical ballot shall be treated as invalid.**
2. The e-voting period commences on 5th July 2015 at 9.00 am and ends on 3rd August 2015 at 6 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th June 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution

is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 30th June 2015.

3. **Members may please note the instructions below:**

A. In case of members receiving e-mail from NSDL:

- i. Open e-mail and then Open PDF file viz., "TVS Electronics Limited e-voting.pdf" with the Client ID or Folio number as password. The PDF file contains the User ID and Password for e-voting. Please note that the password is an initial password which requires to be changed when the password change menu appears.
- ii. Open your web browser during the voting period and log on to the e-voting website www.evoting.nsdl.com
- iii. Click on Shareholder – Login
- iv. Enter User ID and Password as initial password noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password with new password with minimum 8 digits / characters or combination thereof. Please note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
- vi. Home page of e-voting opens. Go to "e-voting" icon and select "Active EVoting Cycles".
- vii. Select "EVEN" of TVS Electronics Limited
- viii. Cast your vote and select "Submit" and "Confirm" when prompted.
- ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
- x. Once the member has voted on the resolution, such member will not be allowed to modify their vote.
- xi. Institutions members (i.e other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with the attested specimen signature of the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer through email: sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.co.in and kr.raman@scl.co.in.

B. In case of members receiving Postal Ballot form by Post [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy] :

- i. Initial password is provided as below/at the bottom of the Postal Ballot Form:

ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Event Number)	USER ID	PASSWORD / PIN

Please follow the steps from (ii) to (xi) stated above.

- ii. In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of www.evoting.nsdl.com or contact NSDL at 022-24994600.
- iii. If members are already registered with NSDL for e-voting, then they can use their existing user ID and password for casting the vote.
- iv. Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - a. The Scrutinizer, after completion of the scrutiny, will submit his report to the Chairman or any of the Directors or Secretary as authorized by the Chairman. The result of the Postal Ballot will be declared by the Chairman or any one of the Directors or the Secretary on **5th August 2015**. The result will be announced to the Stock Exchanges where shares of the Company are listed and intimated through a press release in the newspapers. The result will also be displayed on the Company's website www.tvs-e.in. The resolutions, if approved, will be taken as passed effectively on the date of the declaration of the result, as explained above.
 - b. Members are requested to notify the change in the address, if any, in case of shares held in electronic form to the concerned Depository Participant quoting their Client ID and in case of Physical shares to the Registrar and Transfer Agent of the Company quoting their Folio Number.
 - c. In case of any queries, Members may contact the Company at investorservices@tvs-e.in; or sclshares@gmail.com

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.1

Dr. NagendraPalle, aged 49 years, holds a Ph.D. In Mechanical Engineering from the University of Illinois - Urbana-Champaign, an MBA from the Ross School of Business, The University of Michigan at Ann Arbor and a B.Tech. in Metallurgical Engineering from IIT-Madras. Dr. NagendraPalle is currently the Managing Director of Mahindra First Choice Wheels Limited (MFCWL) - a Mahindra Group Company offering retail, wholesale and technology products and services to the used car industry.

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board appointed him as Non Executive Independent Director of the Company for a term of five consecutive years with effect from 30th September 2014 to 29th September 2019, subject to the approval of members.

Dr. NagendraPalle has furnished declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013.

The other directorships and memberships of committees held by him are provided hereunder:

S. No.	Name of the Company	Directorships / Committee Memberships
1.	Mahindra First Choice Wheels Limited	Managing Director
2.	TVS Electronics Limited	Independent Director Member - Audit Committee Member – Technology Committee

The Board considers that his association with the Company would be of immense benefit to the Company and recommends the approval of his appointment as an Independent Director. Notice under Section 160 of the Companies Act, 2013 has been received from a member in this regard. He is entitled to sitting fees for attending the Board and committee meetings and reimbursement of expenses for attending the meetings.

Dr. NagendraPalle does not hold any Equity Shares in the Company. He is not related to any Director of the Company.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Dr.NagendraPalle, has any concern or interest, financial or otherwise, in this resolution.

Item No.2

Mr. M Lakshminarayan, aged 69 years is a Post Graduate from IIT Mumbai. He has a total of over 37 years experience in Tata Motors and Bosch Ltd. He spent over 24 years at Bosch and retired as its Joint Managing Director in the year 2000.

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board appointed him as a Non Executive Independent Director of the Company for a term of five consecutive years with effect from 6th May 2015 to 5th May 2020, subject to the approval of members. He has furnished declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013.

The other directorships and memberships of committees held by him are provided hereunder:

S. No.	Name of the Company	Nature of interest	Committee Memberships/ Chairmanships
1	Rane (Madras) Limited	Director	Chairman - Audit Committee Member - Nomination and Remuneration Committee
2	Harman International (India) Private Limited	Managing Director	Nil
3	Carborundum Universal Limited	Director	Member - Audit Committee, Nomination and Remuneration Committee
4	Kirloskar Oil Engines Limited	Director	Member - Nomination and Remuneration Committee
5.	Wabco India Limited	Director	Member - Nomination and Remuneration Committee Corporate Social Responsibility Committee
6.	Janaadhar (India) Private Limited	Director	Nil
7.	TVS Automobile Solutions Limited	Director	Nil
8.	TVS Electronics Limited	Director	Nil

Mr. M Lakshminarayan does not hold any Equity Shares in the Company. He is not related to any Director of the Company. Notice under Section 160 of the Companies Act, 2013 has been received from a member in this regard. He is entitled to sitting fees for attending the Board and committee meetings and reimbursement of expenses for attending the meetings.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr. M Lakshminarayan has any concern or interest, financial or otherwise, in this resolution.

Item No.3

Mr. M F Farooqui, aged 61 years is a 1978 Tamil Nadu cadre IAS officer and holds Masters degrees in Physics and Business Administration. He retired as Secretary, Department of Telecommunications (DoT) and Chairman, Telecom Commission in June 2014. He also served as Joint Secretary in the Department of Economic Affairs, Ministry of Finance, Government of India.

On the basis of the recommendation of the Nomination and Remuneration Committee, the Board appointed him as a Non Executive Independent Director of the Company for a term of five consecutive years with effect from 6th May 2015 to 5th May 2020, subject to the approval of members. He has furnished declaration confirming that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013.

Mr. M F Farooqui is not holding directorship / Committee membership in any other Company.

Mr. M F Farooqui does not hold any Equity Shares in the Company. He is not related to any Director of the Company. Notice under Section 160 of the Companies Act, 2013 has been received from a member in this regard. He is entitled to sitting fees for attending the Board and committee meetings and reimbursement of expenses for attending the meetings.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Mr. M F Farooqui has any concern or interest, financial or otherwise, in this resolution.

Item No.4

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment of Mr. P Raju Iyer, Cost Accountant (Membership No. 6987) as cost auditor of the Company, in terms of Section 148 of the Companies Act, 2013 and fixed a sum of Rs.1.50 Lakhs plus service tax as may be applicable and reimbursement of out of pocket expenses, as remuneration payable to him, for the financial year 2015-16, subject to the ratification by shareholders. His appointment was approved by the Board of Directors at their meeting held on 6th May, 2015.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No.5

The Company has an Employees Stock Option Scheme 2011, which was approved by the Shareholders at the Annual General Meeting held on 21st September 2011. As per the Scheme, Directors are also eligible for Stock Options.

The Nomination and Remuneration Committee, at its meeting on 6th May 2015, considered granting upto 2,00,000 stock options to Mr. K E Ranganathan, Managing Director during his present tenure as Managing Director, taking into account the improvement in the Company's performance in 2014-15.

The remuneration package of Rs.80 Lakhs p.a. to Mr. K E Ranganathan, Managing Director as approved by the shareholders by way of postal ballot on 11th April 2014 does not provide for grant of stock options to him. The maximum remuneration that can be paid to him, in terms of Schedule V Part II Section II of the Companies Act, 2013, based on the Company's effective capital is Rs.84 Lakhs p.a. With the approval of shareholders, by way of a special resolution, this remuneration can be increased from Rs.80 Lakhs p.a. to Rs.84 Lakhs p.a. The grant and subsequent exercise by him of 2,00,000 stock options may result in the Managing Director's remuneration crossing Rs.84 Lakhs p.a., thereby requiring the previous approval of the Central Government.

It is hence proposed to seek approval of the shareholders by way of Special resolution and then approach the Central Government for their approval for the proposal to grant upto 2,00,000 stock options to the Managing Director. A Statement containing the information prescribed in terms of Schedule V Part II Section II is also furnished hereunder.

Statement of Information required under Section II, Part II of Schedule V of the Companies Act, 2013

I GENERAL INFORMATION					
1.	Nature of Industry	Computer Peripherals and IT enabled services			
2.	Date or expected date of commencement of commercial production	Company was incorporated on 15 th September 1995.			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.			
4.	Financial performance based on given indicators	Rs. In Lakhs			
		Particulars	2012-13	2013-14	2014-15
		Gross income	23,775	24,962	27,103
		Capital employed	9,969	9,347	9,101
		Networth	3,451	3,551	3,771
		Profit before tax	(504)	66	317
		Profit after tax	(801)	40	229
		Dividends	-	-	-

5	Export performance and net foreign exchange collaborations	Company exports Printers and Printer components. It has no foreign collaborations			
		Rs. In Lakhs			
		Particulars	2012-13	2013-14	2014-15
		Foreign Exchange earning	315.71	3,071.92	3,359.09
		Less:			
		Foreign Exchange outgo	5,831.49	8,694.85	9,008.37
		Net position	5,515.78	5,622.93	5,649.28
6	Foreign investments or collaborators, if any	Nil			

II INFORMATION ABOUT THE APPOINTEE

1.	Background Details Mr. K E Ranganathan is the Managing Director of the Company. He was appointed for a period of 3 years from 6 th February 2014 by way of Postal ballot approved by the members of the Company on 11 th April 2014.
2.	Past Remuneration Past Remuneration from the Company comprises of Consolidated Salary and Variable pay, the details of which are: Rs. In Lakhs p.a From 6-02-2014 to 31 03 2014 12.14 Y.E 31 03 2015 80.00
3	Recognition or awards Mr. K E Ranganathan was awarded the Fulbright Scholarship in 2000 at Carnegie Mellon University and also received the Udyog Rattan Award from the Institute of Economic Studies, New Delhi, in June 2007. Company posted better performance during the financial year 2014-15. Company bagged many more awards during the previous years in the managed services space.
4	Job profile and his suitability Mr. K E Ranganathan is a Chartered Accountant and Company Secretary. He has held various senior positions in his earlier stint, including the position of the Managing Director, at the business conglomerate, Murugappa Group. He has over 30 years of professional experience in the managerial area. He is ideally suited for the position on account of his qualification and vast experience.
5.	Remuneration proposed by way of salary, Special allowance, Variable pay, etc. Not exceeding 2,00,000 stock options, in addition to the existing remuneration already approved by the members. *In the event of loss or inadequacy of profit the same substantive Remuneration shall be the minimum Remuneration.
6.	Comparative Remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin) The proposed remuneration is in line with the current remuneration package of managerial personnel of Companies of the same size, in electronics / ITES enabled industry. Further, it is commensurate with his professional qualification and vast experience and in accordance with the highly competitive business scenario requiring recognition and rewards for performance and achievement towards meeting objectives of the Company.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any. Besides the remuneration, Mr. K E Ranganathan does not have any other pecuniary relationship with the Company.

III OTHER INFORMATION

1.	Reasons for loss or inadequate profits	Drop in demand for the Dot Matrix Printers and other computer peripherals, highly competitive environment in IT enabled services and inflationary conditions.
2.	Steps taken or proposed to be taken for improvement	Cost control measures and exploring other profitable business opportunities.
3.	Expected increase in productivity and profit in measurable terms	Revenue growth in Computer peripherals, improvement in operating margins, new initiatives like retailer automation projects are expected to improve the profitability.

None of the Directors / Key Managerial Personnel or their relatives of the Company other than Mr KE Ranganathan, Managing Director is interested in this business.

All the material documents pertaining to the above special businesses are available for inspection without any fee by the members at the Registered office of the Company between 2 pm and 4 pm on any working day.

By Order of the Board

Chennai
6th May 2015

S Nagalakshmi
Company Secretary

Encl:

1. Postal Ballot Form
2. Self-addressed Postage Pre-Paid Envelope