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Board of Directors

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

Committees of the Board

Audit Committee

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

Investors' Grievance Committee

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

Remuneration/Compensation Committee

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

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.

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:

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:

S. No.	Name of the Company	Nature of Interest	Committee Memberships/ Chairmanships
1.	BSE Institute Limited	Director	-
2.	Meljol, 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

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

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 31st March, 2012	Year ended 31st 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