



# TVS ELECTRONICS LIMITED



■ 16<sup>th</sup> ANNUAL REPORT 2010-11 ■



The  
Touchpoint  
of India

## TVS-E Transacts with India

From the dawn of history, India has been revered as the mother of all civilisations. 1.18 billion people, 28 states, 7 union territories, 845 languages (545 dialects), 18 official languages and multiple religions have given this ancient land pluralism and diversity. It has always been one land embracing many, the true face of 'unity in diversity.' And this very philosophy has been the 'Heart of India.' We at TVS-E understand India's heart and have been pioneers at 'Taking IT to the Heart of India', striving for variety and differentiation to match the needs of over a billion Indians. Inspiring us is a common ethos of quality, customer service and social responsibility. The TVS-E range of products has been engineered to cater to a wide variety of demands characteristic of a country like ours.

We strive for diversity, variety and differentiation with excellence. Imbued with a unique flavour like the rest of India, we practice "Unity in diversity - विविधता में एकता". We are proud to be the Touchpoint of India.



## IndiPOS

IndiPOS is a unique initiative evolving the most meaningful products and solutions for India. We have built an enviable market for Retail-IT products for the country and IndiPOS is a true reflection of the Indian retailer. Robust, rugged and reliable, every product in the range is embedded with the spirit of India. Every product is designed to touch India's IT needs. It is a well known fact that, we are who India transacts with, for its business. We are the Touchpoint of India.



## The Story of the Palm

The mnemonic of the palm represents our touch across India. We strive to create products that go hand-in-hand with India's IT business needs.

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#### Board of Directors

Gopal Srinivasan	Chairman
H Lakshmanan	
S R Vijayakar	
R R Nair	
Sridhar Mitta	
R Ramaraj	
D Sundaram	
Kenneth Tai	
Balu Doraisamy	
S S Raman	Managing Director

#### Committees of the Board

##### Audit Committee

D Sundaram	Chairman
S R Vijayakar	
H Lakshmanan	
Sridhar Mitta	

##### Investors' Grievance Committee

Gopal Srinivasan	Chairman
H Lakshmanan	
R Ramaraj	

##### Remuneration/Compensation Committee

R R Nair	Chairman
S R Vijayakar	
H Lakshmanan	
D Sundaram	

#### Auditors

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

#### Chief Financial Officer

S Kannan

#### Company Secretary

A R Gowri

#### Bankers

State Bank of Mysore  
State Bank of Travancore  
Canara Bank  
IDBI Bank Limited  
ICICI Bank Limited  
The Federal Bank Limited  
Development Credit Bank Limited

#### 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. Particulars No	2001	2002*	2003	2004 <sup>#</sup> -2005	2005 -2006	2006 -2007	2007 <sup>@</sup> -2008	2008 -2009	2009 -2010 <sup>♦</sup>	2010 -2011 <sup>♦</sup>
<b>1. PROFIT AND LOSS ACCOUNT</b>										
Sales	21,599	2,316	26,151	31,574	25,950	27,242	20,764	19,067	19,040	18,140
Other Income	15	54	400	166	623	472	765	473	407	161
<b>Total Income</b>	<b>21,614</b>	<b>2,370</b>	<b>26,551</b>	<b>31,740</b>	<b>26,573</b>	<b>27,714</b>	<b>21,529</b>	<b>19,540</b>	<b>19,447</b>	<b>18,301</b>
Earnings before interest										
Depreciation and Tax (EBITDA)	1,226	223	1,515	1,773	1,631	1,652	2,615	439	666	977
Depreciation	348	69	521	754	743	702	522	476	449	396
<b>Profit before Interest and Tax (EBIT)</b>	<b>878</b>	<b>154</b>	<b>994</b>	<b>1,019</b>	<b>888</b>	<b>950</b>	<b>2,093</b>	<b>(37)</b>	<b>217</b>	<b>581</b>
Interest	695	58	508	470	600	764	603	522	721	517
<b>PBT</b>	<b>183</b>	<b>96</b>	<b>486</b>	<b>549</b>	<b>288</b>	<b>186</b>	<b>1,490</b>	<b>(559)</b>	<b>(504)</b>	<b>64</b>
Tax Expense	21	34	121	121	(27)	-	380	211	(161)	(90)
<b>PAT</b>	<b>162</b>	<b>62</b>	<b>365</b>	<b>428</b>	<b>315</b>	<b>186</b>	<b>1,110</b>	<b>(770)</b>	<b>(343)</b>	<b>154</b>
<b>2. BALANCE SHEET</b>										
Share Capital	1,703	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767
Reserves & Surplus	1,862	1,696	1,935	2,196	2,354	2,371	3,296	2,523	2,176	2,324
<b>Network</b>	<b>3,565</b>	<b>3,463</b>	<b>3,702</b>	<b>3,963</b>	<b>4,121</b>	<b>4,138</b>	<b>5,063</b>	<b>4,290</b>	<b>3,943</b>	<b>4,091</b>
Loan Funds	7,065	7,507	6,994	6,538	8,860	8,909	4,538	5,738	6,133	4,498
<b>Capital Employed</b>	<b>10,630</b>	<b>10,970</b>	<b>10,696</b>	<b>10,501</b>	<b>12,981</b>	<b>13,047</b>	<b>9,601</b>	<b>10,028</b>	<b>10,076</b>	<b>8,589</b>
Deferred Tax Liability	-	355	370	452	298	197	158	202	184	81
<b>Total</b>	<b>10,630</b>	<b>11,325</b>	<b>11,066</b>	<b>10,953</b>	<b>13,279</b>	<b>13,244</b>	<b>9,759</b>	<b>10,230</b>	<b>10,260</b>	<b>8,670</b>
<b>Net Fixed Assets</b>	<b>2,528</b>	<b>4,619</b>	<b>5,036</b>	<b>5,518</b>	<b>3,864</b>	<b>3,397</b>	<b>2,393</b>	<b>2,422</b>	<b>2,135</b>	<b>1,685</b>
<b>Investments</b>	<b>1,438</b>	<b>1,687</b>	<b>1,636</b>	<b>1,637</b>	<b>1,642</b>	<b>1,692</b>	<b>626</b>	<b>1,501</b>	<b>1,501</b>	<b>2,551</b>
Current Assets	12,296	10,692	12,422	11,000	12,815	13,090	10,596	10,828	9,827	7,537
Current Liabilities & Provisions	5,632	5,673	8,028	7,202	5,042	4,935	3,856	4,521	3,203	3,103
<b>Net Current Assets</b>	<b>6,664</b>	<b>5,019</b>	<b>4,394</b>	<b>3,798</b>	<b>7,773</b>	<b>8,155</b>	<b>6,740</b>	<b>6,307</b>	<b>6,624</b>	<b>4,434</b>
<b>Total</b>	<b>10,630</b>	<b>11,325</b>	<b>11,066</b>	<b>10,953</b>	<b>13,279</b>	<b>13,244</b>	<b>9,759</b>	<b>10,230</b>	<b>10,260</b>	<b>8,670</b>
<b>3. RATIOS</b>										
a) EPS (₹)	1.0	5.2	2.1	2.4	1.8	1.1	6.3	(4.4)	(2.0)	0.9
b) Dividend (%)	7.5	7.5	7.5	9.0	7.5	7.5	10.0	-	-	-
c) Book Value per Share (₹)	21	20	21	22	23	23	29	24	22	23
d) Return on Capital Employed (ROCE %)	8.3%	1.4%	9.3%	9.7%	6.8%	7.3%	21.8%	(0.4)%	2.2%	6.8%
e) Return on network (RONW %)	4.5%	1.8%	9.9%	10.8%	7.7%	4.5%	21.9%	(18)%	(8.7)%	3.8%
f) Fixed Asset Turnover Ratio	8.8	0.6	5.4	6.0	5.5	7.5	7.2	7.9	8.4	9.5
g) Working Capital Turnover Ratio	3.3	0.4	5.6	7.7	4.5	3.4	2.8	2.9	2.9	3.3
h) Debt Equity Ratio	2.0	2.2	1.9	1.6	2.1	2.2	0.9	1.3	1.6	1.1
i) EBITDA as % of Sales	5.7%	9.6%	5.8%	5.6%	6.3%	6.1%	12.6%	2.3%	3.5%	5.4%
j) EBIT as % of Sales	4.1%	6.6%	3.8%	3.2%	3.4%	3.5%	10.1%	(0.2)%	1.1%	3.2%
k) Net Profit as % of Total Income	0.7%	2.6%	1.4%	1.3%	1.2%	0.7%	5.2%	(3.9)%	(1.8)%	0.8%
l) R&D (Revenue and Capital) Expenditure as a % of Total Income	1.9%	0.8%	1.3%	1.8%	1.7%	1.3%	1.5%	1.9%	1.1%	0.7%

ROCE is Profit before Interest and Tax divided by Capital Employed.

RONW is Profit after Tax divided by Network.

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 1<sup>st</sup> November, 2002 (Four Companies) and 9<sup>th</sup> 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 (₹ 75.25 Lakhs for 2009-10 &amp; ₹ 87.25 Lakhs for 2010-11).

## Notice to the Shareholders

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held at Sri Thyaga Brahma Gana Sabha (Vani Mahal), No. 103, GN Chetty Road, T Nagar, Chennai - 600 017 on Wednesday, 21<sup>st</sup> September, 2011 at 10.30 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 31<sup>st</sup> March, 2011 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. S R Vijayakar 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 Dr. Sridhar Mitta 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. Balu Doraisamy be and is hereby appointed 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 a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and applicable Regulations issued by the Securities and Exchange Board of India (SEBI) (including any statutory modification(s) or re-enactment thereof) and subject to necessary approvals, consents, permissions and / or sanctions (hereinafter collectively called 'Requisite Approvals') as may be necessary, of the Government of India, SEBI, Reserve Bank of India, Banks, financial institutions or other Bodies or any other appropriate authorities, (hereinafter collectively called as "Appropriate Authorities") and subject to such conditions/modifications as may be prescribed by any of the Appropriate Authorities while granting such Requisite Approvals which may be agreed to by the Board of Directors (including a Committee of Directors that may be entrusted with the responsibility) of the Company (hereinafter referred to as the "Board") at its sole discretion, consent and approval of the Company be and is hereby accorded to the Board to offer, issue and allot not exceeding 3,50,000 (Three Lakh Fifty Thousand only) Warrants with option to exercise the right to be allotted equal number of Equity Shares of Rs.10/- each of the Company on preferential basis to Transmute Business Advisory LLP, Mumbai (Allottee) on such terms and conditions as may be deemed fit by the Board and at such price as determined in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("Price").

RESOLVED FURTHER THAT the Relevant Date for the purpose of calculating the Price under Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall be thirty days prior to the date of the Annual General Meeting i.e., 22<sup>nd</sup> August, 2011.

RESOLVED FURTHER THAT as prescribed by the applicable Regulations of SEBI, the Allottee be called upon to pay to the Company not less than twenty five percent of the Price on the date of allotment of Warrants and the balance at the time of allotment of Equity Shares on exercise of the option attached to the Warrants.

RESOLVED FURTHER THAT in case the Allottee does not exercise the option, the option shall lapse and the consideration paid in respect of such warrants shall be forfeited.

RESOLVED FURTHER THAT the Board be and is hereby authorised to accept and make, in the interest of the Company, any alteration, modification to the terms and conditions concerning any aspect of the issue including the decrease in the aggregate value of the preferential issue and / or any other

## Notice to the Shareholders (Contd.)

matter as may be considered necessary or expedient and / or as may be specified in the Requisite Approvals and to take all such actions as may be necessary to effect such modifications and alterations, to do all such acts, deeds, matters and things as it may deem necessary for such purpose, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the said Warrants/Equity Shares to the Allottee in its absolute discretion as it may deem fit.

RESOLVED FURTHER THAT the said Equity Shares resulting from the exercise of the option by the Allottee be listed in all the Stock Exchanges where the Company's existing shares are then listed and shall rank pari passu in all respects, inter se with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT the Equity Shares so allotted to the Allottee shall be subject to lock-in for such period as prescribed under the applicable SEBI Regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things and execute such documents, agreements or writings as may be deemed necessary or expedient to give effect to the foregoing".

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, ("Guidelines") as amended from time to time and subject to all requisite approvals, consents, permissions and sanctions of appropriate authorities and institutions as may be required under any statutory provisions, guidelines, rules, regulations, notifications or otherwise including but not limited to the Stock Exchanges/Reserve Bank of India/Government of India ("Approvals") and further subject to such terms and modifications as may be prescribed or imposed while granting such Approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include the Compensation Committee of Directors or any other Committee for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), consent and approval of the Shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches to such permanent employees of the Company, whether working in India or out of India and Directors of the Company whether Whole-time Directors or otherwise

(hereinafter referred to collectively as the "Employees") under the "Employees Stock Option Scheme 2011" (hereinafter referred to as "ESOP Scheme 2011"), not exceeding 12,35,000 (Twelve Lakh Thirty Five Thousand only) Equity Stock options convertible into equal number of Equity Shares of the face value of Rs.10/- each (options) constituting about 7% of the paid-up Equity Share capital of the Company as on 31<sup>st</sup> March, 2011 either directly or through a "Employees Welfare Trust" (hereinafter referred to as "Trust"), on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT in terms of Clause 49(I)(B) of the Listing Agreement with the Stock Exchanges, stock options to be granted to Non-Executive Directors (including Independent Directors and Nominee Directors) pursuant to ESOP Scheme 2011 shall not exceed 3,53,400 (Three Lakh Fifty Three Thousand Four Hundred only) options in any one financial year and 5,00,000 (Five Lakh only) options in aggregate.

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect ESOP Scheme 2011 on such terms and conditions as contained in the relevant Explanatory Statement to this Notice and to make any modification(s), change(s), variation(s), alteration(s) or revision(s) in the terms and conditions of the Scheme from time to time including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive ESOP Scheme 2011.

RESOLVED FURTHER THAT the new Equity Shares to be issued and allotted pursuant to ESOP Scheme 2011 shall rank pari-passu with all the then existing Equity Shares of the Company for all purposes.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid allottees under the ESOP Scheme 2011 shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs.10/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT ESOP Scheme 2011 may be operated by the Trustees of the ESOP Trust to be established by the Company, on such terms as the Board may while establishing the Trust deem appropriate.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted under ESOP Scheme 2011 in the Stock



## Notice to the Shareholders (Contd.)

Exchanges where the Equity Shares of the Company are listed as per provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable guidelines, rules and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid, the Board be and is hereby authorised to evolve, decide upon and bring into effect ESOP Scheme 2011 and make any modifications, changes, variations, alterations or revisions thereto from time to time or to suspend, withdraw or revise the Scheme from time to time as may be directed/specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members".

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, ("Guidelines") as amended from time to time and subject to all requisite approvals, consents, permissions and sanctions of appropriate authorities and institutions as may be required under any statutory provisions, guidelines, rules, regulations, notifications or otherwise including but not limited to the Stock Exchanges/ Reserve Bank of India/Government of India ("Approvals") and further subject to such terms and modifications as may be prescribed or imposed while granting such Approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include the Compensation Committee of Directors or any other Committee for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), consent and approval of the Shareholders of the Company be and is hereby accorded to the Board to extend the benefits of the said ESOP Scheme 2011 referred to in the resolution under item No.7 above in this Notice to such Directors whether Whole-time Directors or otherwise of TVS Investments Limited, the Holding Company (hereinafter referred to collectively as the "Employees") not exceeding 5,30,000 (Five Lakh Thirty Thousand only) Equity Stock options convertible into equal number of Equity Shares of the face value of Rs.10/- each (options) constituting about 3% of the paid-up Equity Share capital of the Company as on 31<sup>st</sup> March, 2011 either

directly or through a "Employees Welfare Trust" (hereinafter referred to as "Trust"), on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT stock options to be granted to Non-Executive Directors of TVS Investments Limited, the Holding Company (including Independent Directors and Nominee Directors) pursuant to ESOP Scheme 2011 shall not exceed 5,30,000 (Five Lakh Thirty Thousand only) options in any one financial year and 5,30,000 (Five Lakh Thirty Thousand only) options in aggregate.

RESOLVED FURTHER THAT for the purpose of giving effect to the aforesaid, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties, or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members".

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

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and other applicable provisions if any, of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges, the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, ("Guidelines") as amended from time to time and subject to all requisite approvals, consents, permissions and sanctions of appropriate authorities and institutions as may be required under any statutory provisions, guidelines, rules, regulations, notifications or otherwise including but not limited to the Stock Exchanges/ Reserve Bank of India/Government of India ("Approvals") and further subject to such terms and modifications as may be prescribed or imposed while granting such Approvals and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall be deemed to include the Compensation Committee of Directors or any other Committee for the time being authorized by the Board of Directors to exercise the powers conferred on the Board of Directors by this resolution), consent and approval of the Shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot in one or more tranches such number of stock options which may be equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant of options during any one year, to permanent employees whether working in India or out of India and Directors whether Whole-time Directors or otherwise of the Company or



## Notice to the Shareholders (Contd.)

Directors of TVS Investments Limited, the Holding Company, under the "Employees Stock Option Scheme 2011"(ESOP Scheme 2011), on such terms and conditions as may be determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time".

### By Order of the Board

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

23<sup>rd</sup> July, 2011

**A R Gowri**  
Company Secretary

### NOTES

1. **A Member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a Member or Members as the case may be of the Company. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a notorially 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 Friday, 16<sup>th</sup> September, 2011 to Wednesday, 21<sup>st</sup> September, 2011, 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.

### Green Initiative in Corporate Governance

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 the Company / its Share Transfer Agents.

Members are also entitled to receive copies of the annual reports / documents free of cost, upon receipt of a requisition at any time.

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' Grievance Committee) their shareholding in the Company and relationships between Directors inter-se are given below:

### MR. S. R. VIJAYAKAR

Born on 17<sup>th</sup> December, 1928, Mr. S R Vijayakar is a Bachelor of Mechanical & Electrical Engineering from Poona University. He has worked in the Private sector for nearly 13 years with the Ahmedabad Electricity Company Limited, a British Managing Agency Company. He was the General Manager of Electronics Corporation of India Limited (ECIL) from 1967 to 1978 and its Managing Director from 1978 to 1981. He later became the Chairman & Managing Director of ECIL (1981-1984). He was later posted as Secretary to Government of India, Department of Electronics, (1984-1986) from where he retired on 31<sup>st</sup> December, 1986. Post retirement, he was appointed as Chairman of Maharashtra Electronics Corporation (MELTRON) from 1987 to 1993. Mr. Vijayakar was deputed by the Government of India under Brush-ABOE Commonwealth Scholarship for two years Post Graduate training to the United Kingdom. He is also a distinguished fellow member of the Institute of Electronics & Telecommunication Engineers and a member of the Advisory Council of the Foundation for Democratic Reforms, Hyderabad.

Mr. Vijayakar does not hold any Shares in the Company. He is not related to any other Director of the Company. Details of Mr. Vijayakar's other Directorships and Memberships

## Notice to the Shareholders (Contd.)

/ Chairmanships of Committees are given below:

S. No.	Name of the Company	Position Held	Committee Memberships/ Chairmanships
1.	SPEL Semiconductor Limited	Director	-
2.	Surana Ventures Limited	Director	Member - Audit Committee

### DR. SRIDHAR MITTA

Born on 10<sup>th</sup> January, 1946, Dr. Sridhar Mitta is an internationally recognized expert in the management of Research and Development in Information Technology.

Dr. Mitta is the Managing Director and a Founder of NextWealth Entrepreneurs Private Limited which promotes Social Entrepreneurship. NextWealth identifies business opportunities with a social intent and helps entrepreneurs to build such companies by providing them with angel funding, mentoring, incubation etc.

Dr. Mitta is also the Founder of e4e Inc, (Santa Clara, CA). Dr. Mitta was involved with Wipro Limited since its inception in 1980 and played key role in Wipro achieving technology leadership. As Chief Technology Officer and President of Wipro's Global R&D, he spearheaded strategies which transformed the captive R&D unit into a growing and profitable business. He pioneered global delivery of outsourced product development services to technology companies like Intel, Cisco Systems, Tandem Computers etc. Wipro became the highest valued company in India during his tenure. Dr. Mitta was also the Founder and CEO of EnThink Inc. (Santa Clara, CA), an Intellectual Property design and licensing start-up. He began his career with Electronics Corporation of India, Ltd.

Dr. Mitta was President of 'The IndUs Entrepreneurs (TiE)', Bangalore Chapter for over four years and was elected to Board of Trustees of TiE Global.

Dr. Mitta holds a Ph.D. and MS from Oklahoma State University, US ; an M Tech from the Indian Institute of Technology (IIT), Kharagpur; and an undergraduate degree in Electronics and Communication Engineering from Andhra University.

Dr. Sridhar Mitta holds 20,000 Equity Shares in the Company. He is not related to any other Director of the Company.

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

S. No.	Name of the Company	Position Held	Committee Memberships/ Chairmanships
1.	TVS-E Servicetec Limited	Director	Chairman - Audit Committee
2.	TVS Capital Funds Limited	Director	-
3.	Harita Techserv Limited	Director	Member - Audit Committee
4.	NextWealth Entrepreneurs Private Limited	Director	-
5.	KBC Research Foundation Private Limited	Director	-
6.	Clintics Solutions India Private Limited	Director	-
7.	Jamcracker Software Technologies Private Limited	Director	-

### MR. BALU DORAISAMY

Born on 25<sup>th</sup> April, 1956, Mr. Balu Doraisamy holds a post graduate degree in Computer Science and a master's degree in Mathematics.

Mr. Balu Doraisamy retired as Managing Director and Senior Vice President of Hewlett-Packard (HP) Asia-Pacific & Japan (APJ) in end 2010, after 25 years of service with HP. He was responsible for driving overall revenue and profitable growth in the Region and also led the Enterprise Business which encompasses Global Accounts, Enterprise Servers, Storage, Network, Software, and Services. He was responsible for the integration of EDS and 3Com with HP in the Region. During his time, HP achieved about 18% of its global business in the APJ region, with best in class performance in several countries.

Mr. Balu's 30 years of IT experience span the global market (including merger and acquisitions of HP, Compaq and Digital). As Managing Director of HP India, he drove key improvement programs that accelerated growth and delivered outstanding customer satisfaction, profitable growth and strong financial performance for HP in India. HP was named the #1 multinational IT Company in India for five consecutive years. During his time as Managing Director in India, HP clinched several complex projects and executed them well to help transform several well known organizations.

Prior to his role in HP India, Mr. Balu was based in Singapore for nine years where he managed the APJ Region's Enterprise and Global Accounts business for Digital and Compaq.

Mr. Balu's specialty includes the application of technology to the benefits of businesses and transformation across multiple industries. He has developed significant insight in growing Small and Medium Enterprises and the Consumer market in several countries within the APJ Region. He has also developed and executed several vital growth plans across the Region and has been intimately involved in developing Enterprise Customers, Partners and Consumers. He is also on the Board of MphasiS Limited.

Mr. Balu does not hold any shares in the Company. He is not related to any other Director of the Company.

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

S. No.	Name of the Company	Position Held	Committee Memberships/ Chairmanships
1.	MphasiS 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 23<sup>rd</sup> July, 2011 and shall be taken as forming part of the Notice.

#### Item No.5

Mr. Balu Doraisamy was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 27<sup>th</sup> May, 2011. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Mr. Balu Doraisamy 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 Mr. Balu Doraisamy as a Director of the Company.