

[illegible]

20th
ANNUAL REPORT
2014 - 2015



PIONEERING EXPERT SOLUTIONS



• Widespread Network • Diverse Services • Matchless Trust



**ONSITE
SERVICES**



1000+ FEET
ON STREET



13 BRANCH
OFFICES



**WALK-IN
SERVICES**



200+
AUTHORIZED
PARTNERS



50+ EXCLUSIVE
STORES FOR
MULTIPLE BRANDS



**REPAIR,
REFURBISHMENT &
RESELL SERVICES**



15 REPAIR
CENTRES



5 REPAIR
FACTORIES



**SUPPLY CHAIN
MANAGEMENT
SERVICES**



14 WAREHOUSES



PUDO &
REVERSE
LOGISTICS



**E-AUCTION
SERVICES
FORWARD & REVERSE**



END OF LIFE
MANAGEMENT



AUCTION
SUCCESS RATE
>94%

We are transcending traditional roles, creating amazing value for existing and prospective partnerships. Our team of experts deliver top-notch solutions that exceed expectations, using revolutionary technology that is constantly evolving. Strong adherence to core values and an iron will to satisfy customers inspires unstinting loyalty from them.

Corporate Information

Board of Directors

Gopal Srinivasan	Chairman
K E Ranganathan	Managing Director
Srilalitha Gopal	
D Sundaram	
R Ramaraj	
Kenneth Tai	
Praveen Chakravarty	
H Lakshmanan (upto 30 th September, 2014)	
Nagendra Palte (from 30 th September, 2014)	
M Lakshminarayan (from 6 th May, 2015)	
M F Farooqui (from 6 th May, 2015)	
Narayan K Seshadri (from 6 th May, 2015)	

Committees of the Board

Audit Committee

Praveen Chakravarty	Chairman
D Sundaram	
R Ramaraj	
Nagendra Palte	

Stakeholders' Relationship Committee

R Ramaraj	Chairman
D Sundaram	
Praveen Chakravarty	

Nomination and Remuneration Committee

R Ramaraj	Chairman
Praveen Chakravarty	
Gopal Srinivasan	
D Sundaram	

Company Secretary & Compliance Officer

S Nagalakshmi

Statutory Auditors

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

Secretarial Auditors

S. Krishnamurthy & Co.,
Practising Company Secretaries,
"Shobana", 17, Nandanam Main Road,
Nandanam Extension, Chennai - 600 035.

Cost Auditor

P Raju Iyer, Cost Accountant,
17 (Old No.8), "Shree Ram Villa",
Hasthinapuram Main Road, Nehru Nagar,
Chrompet, Chennai - 600 044.

Bankers

State Bank of Mysore, State Bank of Travancore
Canara Bank, DCB Bank Limited

Website

www.tvs-e.in

Investor E-mail ID

Investorservices@tvs-e.in

Corporate Identity Number

L30007TN1995PLC032941

Registered Office

"Jayalakshmi Estates"
29, Haddows Road, Chennai - 600 006
Tel: 91-44-28277155.
Email ID: webmaster@tvs-e.in

Administrative Office

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

Plant Locations

Oragadam

Plot No 0Z-11/2, Hi-Tech SEZ, SIPCOT,
Oragadam, Sriperumpudur Taluk,
Kancheepuram District -602 105

Uttarkhand

No. E12, Selaqui Industrial Estate
Selaqui, Dehradun, Uttarkhand

Repair Factory locations:

New Delhi

168, Naraina Phase-1, New Delhi 110028

Noida

1. A-3, CDR Complex 2nd Floor,
Naya Bans, Noida, Uttar Pradesh - 201301
2. C-22, Sector -2, Gautam Budh Nagar,
Noida, Uttar Pradesh 201301

Kattupakkam

2/297, D R R Avenue, AUDCO Nagar,
Kattupakkam, Chennai - 600 056

Share Transfer Agents

Sundaram-Clayton Limited,
"Jayalakshmi Estates" I Floor, 29, Haddows Road,
Chennai 600 006.
Tel: 91-44-28272233 / 28307700.
Fax No. 91-44-2825 7121
E-mail: investorservices@tvs-e.in
kr.raman@scl.co.in

Shares Listed at

BSE Limited
National Stock Exchange of India Limited

Financial Highlights	3
Notice to the Members	4
Board's Report to the Members	11
Report on Corporate Governance	36
Auditors' Report	54
Balance Sheet	58
Statement of Profit & Loss	59
Notes on Accounts	60
Cash Flow Statement	84
Consolidated Auditors' Report & Accounts	85

Financial Highlights - Ten Years at a glance

₹ in Lakhs

Sl. No.	Particulars	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
1.	PROFIT AND LOSS ACCOUNT										
	Revenue from operations	25,950	27,242	20,764	19,067	19,040	18,162	21,661	23,525	24,742	27,006
	Other Income	623	472	765	473	407	199	375	250	220	97
	Total Income	26,573	27,714	21,529	19,540	19,447	18,361	22,036	23,775	24,962	27,103
	Earnings before interest Depreciation and Tax (EBITDA)	1,631	1,652	2,615	439	666	1,083	1,303	1,080	1,375	1,706
	Depreciation	743	702	522	476	449	396	504	619	566	697
	Profit before Interest and Tax (EBIT)	888	950	2,093	(37)	217	686	799	461	809	1,009
	Finance costs	600	764	603	522	721	623	659	965	743	692
	PBT	288	186	1,490	(559)	(504)	64	141	(504)	66	317
	Tax Expense	(27)	-	380	211	(161)	(90)	1	297	26	88
	PAT	315	186	1,110	(770)	(343)	154	140	(801)	40	229
2.	BALANCE SHEET										
	Share Capital	1,767	1,767	1,767	1,767	1,767	1,767	1,787	1,787	1,802	1,802
	Reserves & Surplus	2,354	2,371	3,296	2,523	2,176	2,324	2,464	1,664	1,749	1,969
	Networth	4,121	4,138	5,063	4,290	3,943	4,091	4,251	3,451	3,551	3,771
	Loan Funds	8,860	8,909	4,538	5,738	6,133	4,498	6,608	6,518	5,796	5,330
	Capital Employed	12,981	13,047	9,601	10,028	10,076	8,589	10,859	9,969	9,347	9,101
	Deferred Tax Liability	298	197	158	202	184	81	48	345	385	376
	Total	13,279	13,244	9,759	10,230	10,260	8,670	10,907	10,314	9,732	9,477
	Net Fixed Assets	3,864	3,397	2,393	2,422	2,135	1,685	4,929	4,651	4,489	4,073
	Investments	1,642	1,692	626	1,501	1,501	2,551	811	214	134	134
	Current Assets	12,815	13,090	10,596	10,828	9,827	7,526	9,445	9,261	8,735	10,025
	Current Liability & Provision	5,042	4,935	3,856	4,521	3,203	3,091	4,278	3,812	3,626	4,755
	Net Current Assets	7,773	8,155	6,740	6,307	6,624	4,434	5,167	5,449	5,109	5,270
	Total	13,279	13,244	9,759	10,230	10,260	8,670	10,907	10,314	9,732	9,477
3.	RATIOS										
	EPS (Rs)	1.8	1.1	6.3	(4.4)	(2.0)	0.9	0.8	(4.5)	0.2	1.3
	Dividend (%)	7.5	7.5	10.0	-	-	-	-	-	-	-
	Book Value per Share (Rs)	23	23	29	24	22	23	24	19	20	21
	Return on Capital Employed (ROCE %)	6.8%	7.3%	21.8%	(0.4)%	2.2%	8.0%	7.4%	4.6%	8.7%	11.1%
	Return on networth (RONW %)	7.7%	4.5%	21.9%	(18)%	(8.7)%	3.8%	3.3%	-23.2%	1.13%	6.07%
	Fixed Asset Turnover Ratio	5.5	7.5	7.2	7.9	8.4	9.5	6.6	4.9	5.4	6.3
	Working Capital Turnover Ratio	4.5	3.4	2.8	2.9	2.9	3.3	4.5	4.4	4.7	5.2
	Debt Equity Ratio	2.1	2.2	0.9	1.3	1.6	1.1	1.6	1.9	1.6	1.4
	EBITDA as % of Sales	6.3%	6.1%	12.6%	2.3%	3.5%	6.0%	6.0%	4.6%	5.6%	6.3%
	EBIT as % of Sales	3.4%	3.5%	10.1%	(0.2)%	1.1%	3.8%	3.7%	2.0%	3.3%	3.7%
	Net profit as % of Total Income	1.2%	0.7%	5.2%	(3.9)%	(1.8)%	0.8%	0.6%	-3.4%	0.2%	0.8%
	R&D (Revenue and Capital) Expenditure as a % of Total Income	1.7%	1.3%	1.5%	1.9%	1.1%	0.7%	0.5%	0.4%	0.4%	0.4%
	R&D (Revenue and Capital) Expenditure	442	371	317	364	204	137	117	102	94	113

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

RONW is Profit after Tax divided by Networth.

Movements in Reserves and Surplus represents changes in PAT net of dividend and dividend tax, movement in cost of ESOP and Investment Allowance.

Fixed Assets Turnover Ratio is Sales divided by Average Net Fixed Assets as at the end of the year.

Working Capital Turnover Ratio is Sales divided by Average Net Current Assets as at the end of the year.

EBITDA for 2007-08 includes Extraordinary income of Rs 1,560 lakhs arising out of sale of business and sale of property.

EBITDA for 2014-15 includes Extraordinary income of Rs 24 lakhs arising out of sale of land.

PBT is after exceptional item of expenditure for the FY 2013-14 - Rs.63.45 Lakhs (Previous Year - NIL)

The financial results for the year 2011-12 include the effects of "Customer Support Service" business acquired from TVS-E Servicetec Limited, Chennai effective from 1st October, 2011.

The financial results have been regrouped/reclassified wherever necessary as per the requirements of revised Schedule VI.

Notice to the Members

NOTICE is hereby given that the Twentieth 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 Thursday, 6th August, 2015 at 3.15 PM to transact the following business.

ORDINARY BUSINESS

1. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT the following financial statements and reports of the Company, for the financial year ended 31st March, 2015, as circulated to the shareholders be and are hereby adopted:

- a. Standalone Audited Financial Statement;
- b. Reports of the Board of Directors and Auditors on the Standalone Audited Financial Statement; and
- c. Consolidated Audited Financial Statement”.

2. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. D Sundaram (DIN:00016304) Director, who retires by rotation and being eligible for re-appointment, be and is hereby re-appointed as a Director of the Company”.

3. To consider and if thought fit to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai, (Firm Registration No.004207S) be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, for the second year in the transitional period of three years, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company”.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. Narayan K Seshadri, Director (DIN: 00053563), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 6th May, 2015, in terms of Section 161 of the Companies Act, 2013 and who holds such office upto the date of this Annual General Meeting, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, who will be subject to retirement by rotation”.

By Order of the Board

Chennai
6th May, 2015

S. Nagalakshmi
Company Secretary

Registered Office:

“Jayalakshmi Estates”

29, Haddows Road, Chennai - 600 006

NOTES

1. A Member entitled to attend and vote at the meeting is entitled to appoint one or more Proxies to attend and vote instead of himself and the Proxy or Proxies so appointed need not be a Member or Members as the case may be of the Company.
2. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company.

3. A member holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy provided that such person shall not act as a Proxy for any other member.
4. The instrument appointing the Proxy and the Power of Attorney or other authority, if any, under which it is signed or a certified copy of that Power of Attorney duly notarised or other authority shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the

Notice to the Members (Contd.)

meeting. Proxies/ authorisations submitted on behalf of the companies, LLPs, societies etc., must be supported by an appropriate resolution/authority, as applicable.

5. The statement pursuant to Section 102 of the Companies Act, 2013 setting out of material facts concerning the item of special business specified above is annexed hereto.
6. The Register of Members and the share transfer register of the Company will remain **closed from Monday, 3rd August, 2015 to Thursday, 6th August 2015**, both days inclusive.
7. In terms of Section 124 of the Companies Act, 2013, the unpaid dividend for the year 2007-08, which remains unclaimed as on 3rd October 2015 will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.

A separate reminder was also sent during the last year, to those members having unclaimed dividends lying with the Company. Members who have not encashed their dividend warrants are advised to write to the Company immediately claiming dividends declared by the Company.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company will upload the details of unpaid and unclaimed amounts every year on the Company's website and the details are also available in the website of the Ministry of Corporate Affairs.

8. Members holding shares in physical form, in their own interest, are requested to dematerialise the shares to avail the benefits of electronic holding as well as trading.
9. Electronic copy of the Annual Report and the Notice of the Annual General Meeting of the Company

together with the attendance slip and Proxy Form are being sent to all the members whose email IDs are registered with the Company / Depository Participants. For members who have not registered their email address with the Company / Depository Participants, physical copies of the above documents are being sent in the permitted mode.

10. 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.
11. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies of the Annual Report to the meeting.
12. Members who have received the Annual Report in electronic mode and who intend to attend the meeting in person or through proxy are requested to bring a printed copy of the attendance slip to the meeting hall.
13. Members / Proxies attending the meeting should submit the duly signed attendance slip at the entrance of the Hall to attend the meeting.
14. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
15. Members may note that the Notice of the Annual General Meeting and the Annual Report will be available on the Company's website www.tvs-e.in. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal working hours between 2 pm and 4 pm on working days. Members are also entitled to receive the physical copy upon making a specific request.

Notice to the Members (Contd.)

16. As per the provisions of Companies Act, 2013, nomination facility is available for members. The nomination forms can be obtained from the Company's Share Transfer Agents by the members holding shares in physical form. In respect of members holding shares in electronic form, the forms may be obtained from the Depository Participant with whom they are maintaining their demat account.
17. **Remote e-voting facility:**
 - (a) In compliance with Clause 35B of Listing Agreement and the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company offers voting by electronic means through remote e-voting services provided by National Securities Depository Limited (NSDL).
 - (b) **Voting rights** are reckoned on the basis of the shares registered in the names of the members / beneficial owners **as on the record date** fixed for this purpose, viz., **July 31, 2015**.
 - (c) The Company has appointed Mr. K. Sriram of M/s. S. Krishnamurthy & Co., Practising Company Secretaries, Chennai as scrutinizer for conducting the remote e-voting and also the physical ballot process in the Annual General Meeting in a fair and transparent manner.
 - (d) **The instructions for remote e-voting are as under :**

Members receiving e-mail from NSDL (for members who have registered their email Ids with the Company / Depository Participants)

 - i. Open e-mail and then Open PDF file viz., **"TVS Electronics Limited – 20th AGM e-voting.pdf"** with the Client ID or Folio number as password. The PDF file contains the User ID and Password for e-voting. Please note that the password is an initial password which requires to be changed when the password change menu appears.
 - ii. Open your web browser during the voting period and log on to the e-voting website www.evoting.nsdl.com
 - iii. Click on Shareholder - Login
 - iv. Enter User ID and Password as initial password noted in step (i) above. Click Login.
 - v. Password change menu appears. Change the password with new password with minimum 8 digits / characters or combination thereof. Please note the new password. It is strongly recommended not to share the password with any other person and take utmost care to keep the password confidential.
 - vi. Home page of e-voting opens. Go to "e-voting" icon and select "Active E-Voting Cycles".
 - vii. Select "EVEN" of TVS Electronics Limited
 - viii. Cast your vote and select "Submit" and "Confirm" when prompted.
 - ix. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - x. Once the member has voted on the resolution, such member will not be allowed to modify their vote, subsequently.
 - xi. Institutions members (i.e other than individuals, HUF, NRI, etc) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with the attested specimen signature of the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer through email: sriram.krishnamurthy@rediffmail.com with a copy marked to evoting@nsdl.com and kr.raman@scl.co.in.
 - (e) In case of any queries, Members may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads section of

Notice to the Members (Contd.)

www.evoting.nsdl.com or contact NSDL at 022-24994600.

- (f) If members are already registered with NSDL for e-voting, then they can use their existing user ID and password for casting the vote.
- (g) Members can also update their mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (h) **For members who received the notice of Annual General Meeting in physical form, initial password is provided in the Attendance Slip. Members are requested to follow instruction given in Sl. No. (i) to (xi). Shareholders who do not have access to e-voting facility will be provided with physical ballot on request to enable them exercise their vote.**
- (i) **The remote e-voting period commences on August 3, 2015 (9.00 am) and ends on August 5, 2015 (5.00 pm).** During this period, members holding shares as on July 31, 2015, may cast their votes electronically. Thereafter, the e-voting facility will be disabled for voting by NSDL. Once a vote on a resolution is cast by a member, such member will not be allowed to change it subsequently.
- (j) The members attending the meeting who have not already cast their vote through remote e-voting, shall be able to exercise their voting rights at the meeting. The members who have already cast their vote through remote e-voting can attend the meeting but shall not be entitled to cast their vote again at the meeting
- (k) The Scrutinizer will collate the votes downloaded from the remote e-voting system and votes received through physical ballot at the meeting, shall within a period of not exceeding 48 hours from the conclusion of the Annual General Meeting, unblock the votes in the presence of atleast two witnesses not in the employment of the Company and prepare a Scrutinizer's Report and submit the report to the Chairman of the Company.

- (l) The Scrutinizer's Report will be posted on the Company's website www.tvs-e.in and on the website of the NSDL within two days of passing of the resolutions at the AGM and communicated to the stock exchanges.
- (m) All relevant documents referred to in the accompanying Notice and Statement of material facts will be open for inspection at the Registered office of the Company **between 2.00 pm and 4.00 pm** upto and including the date of the AGM.
- (n) In case of any queries, members may contact the Company at investorservices@tvs-e.in, or sclshares@gmail.com

18. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite consent and declarations for their appointment/re-appointment.

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. Vice President 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.

Notice to the Members (Contd.)

The other directorships and memberships of committees held by Mr. D Sundaram are provided hereunder:

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

Mr. Narayan K Seshadri

Mr. Narayan K Seshadri is the founder of Tranzmute Capital & Management Private Limited established with the objective of working with 1st generation entrepreneurs and family businesses to enable rapid growth in their businesses by providing new ideas, management and capital. Earlier he had founded Halcyon Resources & Management that had Partnered with a US investment management group and established a USD 300 million Special Situations Fund investing in distressed companies and latent businesses with considerable potential for growth. Mr. Narayan K Seshadri has led several such investments in Financial, Retail, Contract Research & Manufacturing, Textiles, Paper and Lifestyle marketing.

Prior to establishing Halcyon, Mr. Narayan K Seshadri was the Managing Partner at KPMG's Business Advisory Services Practice which he helped turnaround and rebuild. Before KPMG, Mr. Narayan K Seshadri led Arthur Andersen's Business Consulting Practice in India as part of Andersen's India leadership team. He personally built

this practice to achieve a leadership position in the Consulting space.

Mr. Narayan K Seshadri was also a member on Andersen's global CEO advisory council, the first and only Indian partner to hold such a position. Mr. Narayan K Seshadri has worked in the UK, Middle East and India and helped on various global initiatives and engagements during his consulting career. Besides the industry sectors that he currently works with, Mr. Narayan K Seshadri has advised the Power, Banking & Financial Services, Agribusiness, Pharmaceutical, Healthcare, IT & ITES Sectors at different levels - from policy formulation to corporate strategy, restructuring and organization transformation.

Mr. Narayan K Seshadri is a Chartered Accountant by profession with over thirty three years of professional experience.

M/s. Tranzmute Business Advisory LLP, in which Mr. Narayan K Seshadri is a Partner, holds 3,50,000 Equity Shares representing 1.94% of the paid-up capital in the Company. He is not related to any Director of the Company.