

TVS-E SERVICETEC LIMITED

ANNUAL REPORT 2009 - 2010

TVS-E SERVICETEC LIMITED

Board of Directors

GOPAL SRINIVASAN, Chairman
S S RAMAN, Whole time Director
R. RAMARAJ
R R NAIR
Dr. SRIDHAR MITTA

Audit Committee

Dr. Sridhar Mitta, Chairman
R. Ramaraj
R R Nair

Remuneration Committee

Dr. Sridhar Mitta
R. Ramaraj
R R Nair

Registered Office:

"Jayalakshmi Estates"
29, Haddows Road
Cennai 600 006

Auditors

Sundaram & Srinivasan
Chartered Accountants,
New No. 4 (Old No. 23), C.P. Ramaswamy Road,
Alwarpet, Chennai - 600 018

Bankers

IDBI Bank Ltd.
Yes Bank Ltd.
State Bank of India
Indian Bank

Finance

Liquidity was a major area of concern for the business arising out of large delays in receivables from customers affecting payment performances. This in turn, cascaded into delays and less than acceptable service delivery by our network partners. Collections of long outstanding and sound commercial management of contracts have been identified as key focus areas to bring the business back on track. A number of cost saving measures have been identified and action commissioned on them for this purpose.

SCM and Parts Logistics

Improving Supply Chain Management (SCM) and good logistics for movement of parts have also been identified as major area of improvement to enhance service delivery and achieving customer satisfaction. Work progressed well on CRM (customers relations management) implementation on SAP platform which is planned to be completed in the first half of the next year. These will drive efficiencies well in parts movement and call management - the two critical building blocks of our business.

Human Resources

In a challenging business scenario communication with employees was continuous and open. Training of our own employees and those of service provider networks received a lot of attention.

The Company appointed a Chief Operating Office with considerable experience during the last quarter of the financial year ended 31st March 2010.

Directors

Mr. V A Raghu resigned from the Board with effect from 31st October, 2010. The Board places on record its sincere appreciation for his leadership and guidance during his tenure.

At the board meeting held on 15th May, 2009 Mr. S S Raman was appointed as Managing Directors of the company for a period of three years under section 269 of the Companies Act, 1956 with effect from 1st May, 2009. The same was approved by the shareholders at the annual general meeting held on 4th September, 2009.

At the board meeting held on 24th April, 2010, Mr. S S Raman, Managing Director was re-designated as Whole time director of the Company without any remuneration for the remaining tenure of his office i.e., from 1st April, 2010 to 31st April, 2012 subject to the approval of the shareholders in a general meeting. Requisite resolutions will be placed before the forthcoming Annual General Meeting for the approval of the appointment of Mr. S S Raman.

Mr. R Ramaraj and Mr. R R Nair, Directors will retire by rotation at the ensuring annual general meeting and being eligible offer themselves for re-appointment.

Committees

Consequent to the resignation of Mr. V A Raghu from the board, the Audit Committee of the board was re-constituted with Dr. Sridhar mitta, Mr. R Ramaraj and Mr. R R Nair as members with effect from 28th January, 2010.

Auditors

M/s. Sundaram & Srinivasan, Chartered Accountants, Chennai (Firm Registration No. 004207S), retire at the ensuring Annual general meeting and being eligible offer themselves for re-appointment.

Personnel

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of the employees is set out in Annexure "A" to the Directors' Report.

Energy Conservation & Technology Absorption

Information relating to energy conservation, and technology absorption activities undertaken by the Company in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the report of Board of Directors) Rules, 1988 given in Annexure "B" to the directors report.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 and based on the representations received from the operating management, the directors hereby confirm that:

- in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year (namely 31st March, 2010) and of the profit of the Company for the year;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts for the year ended 31st March, 2010, on a "going concern" basis.

Acknowledgements

The Directors thank the TVS Investments Ltd, the holding company, company's employees at all levels, customers, vendors, business associates, bankers and others for their continued support to the company.

The directors also thank the Government of India, the Concerned State Governments, Government Departments Agencies for their co-operation.

For and on behalf of the Board

DIRECTORS' REPORT TO THE MEMBERS

The Directors present their Annual Report of the Company together with the audited statements for the year ended March 31, 2010.

Financial Results

Rs. in Lakhs			
Sl. No.	Financial Indicator	2009-10 (Audited)	2008-09 (Audited)
1	Service Income	3938	4289
2	Sales	565	328
3	Total Income	4514	4712
4	Material Cost	557	561
5	Operating Cost	4336	4067
6	Interest Expenses	60	38
7	Total Expenses	4953	4666
8	Profit / (Loss) before tax	(439)	46
9	Profit / (Loss) after tax	(439)	30

Operating Results and Business

The Company continues to provide Warranty Management Services to various Brand Owners in three major business verticals viz., Telecom, IT & Peripherals and Banking & Retail, using its authorized service partner network, own service engineers and repair factories.

Total Income for the year dropped by 4% primarily due to a fall in revenue in the Telecom vertical, which could not be fully neutralized in the other verticals.

Operations at the state of art repair factory set up for Nokia settled down during the year and service levels improved through continuous training of workmen.

Telecom

In line with explosive growth of smart phones, the company positioned itself by setting up company-owned service-centers in five major cities. These currently service HTC smart phones, together with Toshiba laptops. Overall telecom vertical, however, had a major setback of service income dropping by more than Rs 700 Lakhs from the previous year's level of Rs 1,920 Lakhs. This happened primarily due to Kinpo, a major customer stopping operations in India and substantial drop in call volumes in Haier and Huawei. Rapid growth in Nokia repair factory earnings and higher parts & accessories sales somewhat cushioned this loss.

The sharp drop of call volumes in cell phones resulted in financial pressure compounding to a receivables crisis. Resultant provision for doubtful debt has been the major contributor for the loss of Rs 439L. Borrowings had to be correspondingly stepped up by over Rs 100L to manage the cash flow needs.

Banking & Retail

Revenue from Annual Maintenance Contracts of ICICI EDC terminals, the largest account in this vertical, witnessed a sharp drop due to substantial reduction in their installed base. The business however succeeded in recovering most of the drop from new accounts.

IT & Peripherals

With sustained improvement in service level, revenues from the Dell account - increased substantially in the year under review. This growth, however, was neutralized by shrinkage of revenue in some of the other accounts.

A good addition to the portfolio was Canon, where we have commenced support for their scanners with the potential for printer support to follow.

Remote Tech Support

With rapid growth in installed base of smart phones and computers, Remote Tech Support is a high potential arm for effective customers service from future business perspectives. A decision to enter this domain was taken and a pilot has been launched for Acer Smart Phones.

CSAT

The overall customer satisfaction (CSAT) indices were low at 54%. 67% and 64% respectively for Telecom, Banking & retail and IT verticals. Efforts for improvement are in hand.

Chennai
29th July, 2010

Gopal Srinivasan
Chairman

ANNEXURE "A" to the Directors' Report for the year ended 31st March, 2010
Particulars of employees as per Sec 217(2A) of the Companies Act, 1956
Employed throughout the year

Sl. No.	Name	Age (Years)	Designation	Date of Employment	Remuneration (Rs.)	Qualification	Experience (Years)	Previous Employment	
								Designation	Company Name
1	S S Raman*	58	Managing Director	12.10.2007	23,73,812	B.E (Mech), PGDBM & Mast Dip in Bus Admin (Prodn Enng)	35	President & Chief Executive Officer	TVS Electronics Limited
2	R K Bhat	49	VP – Operations	01.07.2007	29,66,873	B.E (E&C)	28	VP – Operations	TVS Electronics Limited
3	M Ramesh	52	GM-Parts and Logistics	01.07.2007	24,33,890	B.E (Mech)	29	GM-Parts and Logistics	TVS Electronics Limited
4	K Hema Rao	42	VP-Supplies & Accessories	01.04.2009	25,28,584	B.E (E&C)	20	Vice President	Harita Academy Limited

Notes :

1. Years of experience include experience prior to joining the company also.
2. Remuneration comprises of salary, dearness allowances wherever applicable, house rent allowance, special allowance, conveyance allowance, contribution to Provident Fund, Super-Annuation Fund, Medical Insurance Premia. Leave travel assistance and other benefits but does not include one time compensation paid under "Voluntary Separation Scheme".
3. Besides, the above employees are entitled to Gratuity as per Rules
4. *Terms of employment of the employee mentioned above is contractual.
5. None of the above employees is related to any of the Directors.
6. None of the employees either individually or together with spouse or children holds more than two percent of the equity shares of the company

For and on behalf of the Board

Chennai
29th July, 2010

Gopal Srinivasan
Chairman

TVS-E SERVICETEC LIMITED

Annexure 'B' to the Directors' Report Information as required under section 217 (1) (e) of the Companies Act, 1956.

CONSERVATION OF ENERGY

Timer units and energy savers have been installed to control and optimize energy consumption in most of the electrical appliances at the business places.

TECHNOLOGY ABSORPTION

The company has contractual arrangement with various Original Equipment manufacturers for rendering warranty service for their products.

The company has technical capability to carry on such business. No collaboration agreement is entered into with any party during the period under review.

	2009-10	Amount in Rs. 2008-09
FOREIGN EXCHANGE EARNINGS:		
Exports earning on receipt bais	5,83,28,319	12,90,08,280
FOREIGN EXCHANGE OUTGO		
Travel	-	2,42,814
Consultancy, Legal fee & Retainers	1,23,600	7,54,708

For and on behalf of the Board

Chennai
29th July, 2010

Gopal Srinivasan
Chairman

Auditors' report to the members of TVS-E Servicetec Limited, Chennai for the year ended 31st March 2010.

We have audited the attached Balance Sheet of M/s. TVS-E Servicetec Limited, "Jayalakshmi Estates", 29, Haddows Road, Chennai - 600 006 as at 31st March, 2010, the Profit & Loss Account for the year ended 31st March, 2010 annexed thereto and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

- We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
- As required by the Companies (Auditor's Report) Order, 2003 and amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we state that -
 - We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
 - In our opinion, proper books of account as required by law, have been kept by the company so far as appears from our examination of those books;
 - The Balance Sheet, Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account;
 - In our opinion, the Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report comply with the accounting standards, referred to in Sub-section (3C) of Section 211 the Companies Act, 1956.
 - On the basis of written representations received from the directors of the company, as on March 31, 2010 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
 - In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010;
 - in so far as it relates to the Profit and Loss Account, of the loss of the company for the year ended 31st March, 2010; and
 - in so far as it relates to the cash flow statement, of the cash flows for the year ended on that date.

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

M BALASUBRAMANIAM
Partner
Membership No.F7945

Chennai
July XX, 2010

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2010.

- The company has maintained proper records showing full particulars including quantitative details and situation of the fixed assets.
 - The assets are physically verified, in phases, by the Management during the year as per the regular programme of verification, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification. The discrepancies noticed on such verification have been appropriately dealt with in the books of account of the company.
- The stock of traded goods other than in transit were physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable. In respect of inventory with third parties, which have not been physically verified, there is a process of obtaining confirmation from such parties.
 - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - In our opinion, the company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- During the year, the company has not granted any unsecured loans to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence reporting on rate of interest charged and other conditions does not arise
 - During the year the company has not taken any unsecured loans from the holding company covered in the register maintained under section 301 of the Companies Act, 1956. Hence reporting on rate of interest charged and other conditions does not arise.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weaknesses have been noticed in the internal control system.
- Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the contracts or arrangements that need to be entered in the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been properly entered in the said register.
 - In our opinion and according to the information and explanations given to us, the transactions entered in the register maintained under Section 301 and exceeding during the financial year by Rs.5.00 lakhs in respect of each party have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- The company has not accepted any deposits from the public.
- The company has an internal audit system, which in our opinion, is commensurate with its size and nature of its business.
- The company is not notified under Section 209(1)(d) of the Companies Act, 1956 for maintenance of cost records.
- According to the records provided to us, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service Tax, Custom Duty, Cess and other statutory dues with the appropriate authorities. However there were two instances of delay, one with a day's delay and another with ten days' delay in respect of TDS remittance.
 - According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, service tax, customs duty, and cess were in

Annexure referred to in our report of even date on the accounts for the year ended 31st March 2010 (Contd.)

arrears, as at 31st March, 2010 for a period of more than six months from the date they became payable.

10. The accumulated losses of the company as at the end of the financial year 31st March 2010 are more than fifty percent of its networth computed before such loss. The company has incurred cash loss during the financial year. During the immediately preceding financial year the company had not incurred cash loss.
11. Based on our examination and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. Based on our examination and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is not a chit / nidhi / mutual benefit fund / society and as such clause (xiii) of the order is not applicable.
14. The company is not dealing or trading in shares, securities, debentures and other investments. The company does not have any Investment.
15. The company has not given any guarantee for loans taken by others from bank or financial institution.
16. In our opinion, the term loans were applied for the purpose for which the loans were obtained.
17. On the basis of our examination, the company has not used the funds raised on short-term basis for long-term investments.
18. During the year, the company has not allotted any shares on preferential basis to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. During the year, the company has not issued any debentures.
20. During the year, the company has not raised any money by public issue.
21. Based on the audit procedures adopted and information and explanations given to us by the management, no fraud on or by the company has been noticed or reported during the course of our audit.

For SUNDARAM & SRINIVASAN
Chartered Accountants
Firm Regn. No: 004207S

M BALASUBRAMANIAM
Partner
Membership No.F7945

Chennai
July XX, 2010

TVS-E SERVICETEC LIMITED

Balance Sheet as at 31st March 2010

	Schedule number	As at 31 March 2010	Amounts in Rupees As at 31 March 2009
SOURCE OF FUNDS			
Shareholders' funds			
Share capital	I	12,00,00,000	12,00,00,000
Loans Funds			
Secured Loan	II	5,93,73,415	4,37,37,437
Unsecured Loan	III	-	48,97,020
		5,93,73,415	4,86,34,457
Deferred Tax Liability (Net)	IV	1,96,173	1,96,173
Total		<u>17,95,69,588</u>	<u>16,88,30,630</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block		10,54,17,154	9,02,73,430
Less Depreciation		<u>3,28,73,926</u>	<u>2,54,73,567</u>
Net Block	V (a)	7,25,43,228	6,47,99,863
Capital Work-in-progress-Software	V (b)	<u>4,20,916</u>	<u>1,17,19,261</u>
Current Assets, Loans & Advances		7,29,64,144	7,65,19,124
Inventories	VI	98,03,975	1,39,49,676
Sundry Debtors	VII	11,46,66,742	14,63,68,288
Cash and Bank Balances	VIII	77,23,977	38,94,597
Loans & Advances	IX	<u>8,28,57,408</u>	<u>5,24,01,933</u>
	(a)	21,50,52,102	21,66,14,494
Less: Current Liabilities & Provisions			
Current Liabilities	X	15,81,23,878	14,22,79,421
Provisions	XI	<u>1,63,84,722</u>	<u>41,29,833</u>
	(b)	17,45,08,600	14,64,09,254
Net current assets	(a) - (b)	4,05,43,502	7,02,05,240
Debit balance in Profit and Loss account		<u>6,60,61,942</u>	<u>2,21,06,266</u>
Total		<u>17,95,69,588</u>	<u>16,88,30,630</u>
Notes on accounts	XVI		

For and on behalf of the board

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

S S RAMAN
Whole-time Director

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No: 004207S

Chennai

M. BALASUBRAMANIAM
Partner
Membership No.F7945

TVS-E SERVICETEC LIMITED

Profit and Loss Account for the year ended 31st March 2010

	Schedule number	Year ended 31 March 2010	Amounts in Rupees Year ended 31 March 2009
INCOME			
Service Income (Gross)		39,37,70,878	42,88,83,217
Sales		5,64,53,304	3,27,94,535
Total		45,02,24,182	46,16,77,752
Add: Other Income	XII	11,47,483	95,38,676
Total - (A)		45,13,71,665	47,12,16,428
EXPENSES			
Consumption of traded items	XIII	5,56,84,821	5,61,22,997
Salaries & Wages, Stores consumed and other expenses	XIV	41,78,50,469	39,00,09,853
Interest	XV	59,80,531	38,01,251
Depreciation		1,58,11,520	1,66,62,824
Total - (B)		49,53,27,341	46,65,96,925
Profit/(Loss) before tax	A - B	(4,39,55,676)	46,19,503
Less: Fringe benefit tax		-	16,00,000
Provision for Deferred Tax		-	-
		-	16,00,000
		(4,39,55,676)	30,19,503
Profit/(Loss) after tax			
Add: Balance brought forward from previous year		(2,21,06,266)	(2,51,25,769)
Balance carried to Balance Sheet		(6,60,61,942)	(2,21,06,266)
Notes on accounts	XVI		
Nominal value of each share in Rupees		10	10
Basic and Diluted Earnings per share in Rupees		(3.66)	0.25

For and on behalf of the board

As per our report of even date annexed

GOPAL SRINIVASAN
Chairman

S S RAMAN
Whole-time Director

For Sundaram & Srinivasan
Chartered Accountants
Firm Regn. No: 004207S

Chennai

M. BALASUBRAMANIAM
Partner
Membership No.F7945

TVS-E SERVICETEC LIMITED

Schedules

	As at 31-Mar-10	As at 31-Mar-09
I. CAPITAL		
Authorised		
1,20,00,000 (Last year 1,20,00,000) Equity shares of Rs. 10/- each	12,00,00,000	12,00,00,000
30,00,000 (Last year 30,00,000) Unclassified shares of Rs. 10/- each	3,00,00,000	3,00,00,000
	<u>15,00,00,000</u>	<u>15,00,00,000</u>
Issued, Subscribed and paid-up		
1,20,00,000 (Last year 1,20,00,000) Equity shares of Rs. 10/- each fully paid up (The entire share capital is held by holding company M/s TVS Investments Limited, Chennai and its nominees)	12,00,00,000	12,00,00,000
Share Application Money	-	-
	<u>12,00,00,000</u>	<u>12,00,00,000</u>
II SECURED LOANS		
From Banks - Short term	5,40,81,048	3,42,00,000
- Long term	52,92,367	95,37,437
(Secured by pari passu charge on all current assets (present and future) and first charge on fixed assets of the company)		
	<u>5,93,73,415</u>	<u>4,37,37,437</u>
III UNSECURED LOANS		
From banks	-	48,97,020
	<u>-</u>	<u>48,97,020</u>
IV. DEFERRED TAX LIABILITY (NET)		
Transfer from / (to) Profit & Loss Account		
Deferred tax liability (Net) consists of :		
a) Liabilities:		
Tax on depreciation	6,90,728	6,90,728
Less:		
b) Assets:		
Tax on provisions in respect of expenditure which will be allowed under Income Tax Act, 1961 only on payment basis	4,94,555	4,94,555
	<u>1,96,173</u>	<u>1,96,173</u>

V (a) FIXED ASSETS

Description	Cost of Assets				Depreciation				Written Down Value	
	As at 01-Apr-09	Additions	Transfer/ Sale	As at 31-Mar-10	Up to 31-Mar-09	For the year	Transfer/ Sale	Up to 31-Mar-10	As at 31-Mar-10	As at 31-Mar-09
	Land	1,97,13,000	-	-	1,97,13,000	-	-	-	-	1,97,13,000
Buildings	29,81,524	18,58,142	-	48,39,666	3,47,844	7,00,391	-	10,48,235	37,91,431	26,33,680
Plant and Machinery	3,22,30,923	59,32,221	8,00,340	3,73,62,804	29,55,025	26,14,214	3,43,674	52,25,565	3,21,37,239	2,92,75,898
Furniture Fixtures & Office Equipments	1,86,24,979	41,14,007	87,28,488	1,40,10,498	84,39,405	45,87,685	80,67,487	49,59,603	90,50,895	1,01,85,574
Software	1,67,23,004	1,27,68,182	-	2,94,91,186	1,37,31,293	79,09,230	-	2,16,40,523	78,50,663	29,91,711
Total	9,02,73,430	2,46,72,552	95,28,828	10,54,17,154	2,54,73,567	1,58,11,520	84,11,161	3,28,73,926	7,25,43,228	6,47,99,863
Previous Year	2,63,06,681	6,39,66,749		9,02,73,430	88,10,743	1,66,62,824		2,54,73,567	6,47,99,863	-

Amount in Rupees

V (b) CAPITAL WORK IN PROGRESS

Description	Cost			Capitalised during the year	Cost	
	As at 01-Apr-09	Additions	Total		As at 31-Mar-10	As at 31-Mar-09
Land	2,19,261	2,01,655	4,20,916	-	4,20,916	2,19,261
Software	1,15,00,000	-	1,15,00,000	1,15,00,000	-	1,15,00,000
Total	1,17,19,261	2,01,655	1,19,20,916	-	4,20,916	1,17,19,261

Schedules

	As at 31-Mar-10	As at 31-Mar-09
VI. INVENTORIES*		
Traded Items at cost	98,03,975	1,39,49,676
	<u>98,03,975</u>	<u>1,39,49,676</u>
Ref. Note 1-AS 2		
* As certified by Manager Director		
VII. SUNDRY DEBTORS - UNSECURED		
Considered Good		
a) Debts outstanding for a period exceeding six months	3,97,59,092	9,93,19,846
b) Other debts	7,49,07,650	4,70,48,442
	<u>11,46,66,742</u>	<u>14,63,68,288</u>
Considered Doubtful		
a) Debts outstanding for a period exceeding six months	4,72,15,526	1,14,64,405
b) Other debts	-	-
	<u>16,18,82,268</u>	<u>15,78,32,693</u>
Less: Provision made for Doubtful debts	4,72,15,526	1,14,64,405
	<u>11,46,66,742</u>	<u>146,368,288</u>
VIII. CASH AND BANK BALANCES		
a) Cash and cheques on hand		
i) Cash on Hand	414	-
ii) Cheques on Hand	11,20,054	34,15,520
b) Balances with Schedules Banks		
i) Deposit accounts	1,49,000	1,40,000
ii) Current accounts	64,54,509	3,39,077
	<u>77,23,977</u>	<u>38,94,597</u>
IX. LOANS AND ADVANCES - UNSECURED CONSIDERED GOOD		
i) Advance recoverable in cash or in kind or for value to be received	3,28,07,999	2,08,18,152
ii) Deposits	1,77,78,457	1,41,70,841
iii) Tax deducted at source	3,22,70,952	1,74,12,940
	<u>8,28,57,408</u>	<u>5,24,01,933</u>
X. CURRENT LIABILITIES		
Sundry Creditors	15,81,23,878	14,22,79,421
	<u>15,81,23,878</u>	<u>14,22,79,421</u>
XI. PROVISIONS		
i) For Staff benefit schemes	34,71,287	28,81,222
ii) For expenses	1,29,13,435	1,248,611
	<u>1,63,84,722</u>	<u>41,29,833</u>

Schedules (Contd.)

	(Amount in Rupees)	
	Year ended 31 - Mar - 10	Year ended 31 - Mar - 09
XII. OTHER INCOME		
Miscellaneous Income	11,47,483	95,38,676
	<u>11,47,483</u>	<u>95,38,676</u>
XIII. CONSUMPTION OF TRADED ITEMS		
a) Opening stock	1,39,49,676	1,65,56,112
b) Add: Purchases	5,15,39,120	5,35,16,561
	<u>6,54,88,796</u>	<u>7,00,72,673</u>
c) Less: Closing stock	98,03,975	1,39,49,676
Consumption of Traded Items	<u>5,56,84,821</u>	<u>5,61,22,997</u>

XIV. SALARIES & WAGES, STORES CONSUMED AND OTHER EXPENSES

	(Amount in Rupees)	
	Year ended 31- Mar - 10	Year ended 31- Mar - 09
a) Salaries, Wages, Bonus and Allowances	9,28,23,255	7,87,72,926
b) Contribution to provident and other funds	69,42,362	44,85,023
c) Staff welfare expenses	33,74,299	47,23,766
d) Stores, spares and tools consumed	94,08,143	3,91,920
e) Power & fuel	21,84,550	9,99,818
f) Rent	1,38,12,981	1,10,10,911
g) Rates and taxes	1,63,259	1,17,540
h) Repairs & Maintenance		
Buildings	21,65,270	11,29,863
Machinery	6,93,355	3,82,551
Other assets	2,07,59,173	1,91,21,083
i) Insurance	25,86,713	15,60,788
j) Audit fees	2,00,000	1,86,216
k) Other expenses	26,27,37,109	26,71,27,448
	<u>41,78,50,469</u>	<u>39,00,09,853</u>

XV. INTEREST

On Fixed Loans	15,46,686	1,220,384
Other loans	44,33,845	25,80,867
	<u>59,80,531</u>	<u>38,01,251</u>

XVI. NOTES ON ACCOUNTS
1 Accounting Standards Compliance

The financial statements have been prepared in accordance with the norms and principles prescribed in the Accounting Standards issued by the Institute of Chartered Accountants of India which are itemised below.

AS - 1 Disclosure of accounting Policies

The Company is following accrual basis of accounting on a going concern concept.

AS - 2 Valuation of Inventories

Trading products, components, stores and spares are valued at cost determined on weighted average basis.

AS - 3 Cash flow statements

Cash flow statement has been prepared under " indirect method".

AS - 4 Contingencies and events occurring after Balance Sheet date

There are no contingencies and events after the Balance Sheet date that affect the financial position of the company. Outstanding bank guarantees are disclosed by way of a note.

Schedules (Contd.)
XIV. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at Year ended 31.03.2010	As at Year ended 31.03.2009

AS - 5 Net profit or loss for the Year, Prior period items and changes in accounting policies
Prior Period Items in Profit & Loss Account:

Rent	1,23,000
Lease Rent Office Equipments	80,374
Civil Housekeeping Materials	13,803
Electrical Spares	3,30,073
Office Equipments - Service Contract for Softwares	3,69,240
Office Equipments - Computer Maintenance	1,01,334
Postage	5,550

There has been no change in accounting policies during the year.

AS - 6 Depreciation accounting

a) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 :

- i) on computers (including printers, uninterruptible power supply systems and computer accessories) and vehicles, depreciation has been charged at 30% and 18% respectively on straight line method, which are higher than the rates prescribed in Schedule XIV.
- ii) In respect of Buildings acquired on lease, depreciation has been charged at 20% on straight line method which is higher than the rate prescribed in Schedule XIV to the Companies Act, 1956.
- iii) on Software acquired , depreciation has been charged at 50% per annum on pro-rata basis under straight line method
- iv) on assets acquired whose actual cost does not exceed Rs. 5,000 individually, depreciation has been provided fully.

b) In respect of assets depreciated on straight line method which have been acquired on business transfer, depreciation is provided having regard to the total useful life of the asset.

AS - 7 Accounting for Construction contracts

The company is not engaged in any Construction business covered by this Standard.

AS - 8 Accounting for Research and Development

This standard stands withdrawn as Accounting Standard 26 - Intangible Assets has become mandatory.

AS - 9 Revenue recognition

- a) Income and expenditure are accounted on a going concern basis.
- b) The company's income consists of income from warranty management services, Information Technology (IT) related consultancy services and sale of traded goods.
- c) Sales is accounted net of applicable taxes and is recognised on despatch of goods, income from service is recognised after rendering of services.
- d) Sale of products, income from services and other income include realised exchange fluctuations on exports.

AS - 10 Accounting for Fixed assets

Fixed Assets are stated at cost of acquisition or construction cost net of cenvat and includes expenditure incurred upto the date the asset is put to use, less accumulated depreciation.

Lease hold land represents Rs 197.13 lakhs paid to State Industrial Promotion Corporation of Tamil Nadu Limited (SIPCOT), Chennai for 6.16 acres of land in their Oragadam SEZ, Tamil Nadu for which the execution and registration of lease deed is pending. The unit has been approved by the Development Commissioner, MEPZ subject to stipulation on export obligation.

AS - 11 Accounting for effects in foreign exchange rates

- a) Purchase of imported components and spare parts are accounted based on retirement memos from banks.
- b) Year end foreign currency denominated liabilities and receivables are translated at exchange rates prevailing as at Balance Sheet date, the difference being charged/credited to respective revenue or capital account .

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

AS - 12 Accounting for Government Grants

The company has not received any government grants during the accounting year.

Schedules (Contd.)

XVI. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at Year ended 31.03.2010	As at Year ended 31.03.2009
AS - 13 Accounting for Investments		
The company has not made any investments.		
AS - 14 Accounting for amalgamation		
This standard is not applicable to the company for the year under review.		
AS - 15 Accounting for Retirement Benefits		
a) Short term Employee Benefits:		
Short term employee benefits payable within twelve months of rendering the service including accumulated leave encashment, at the balance sheet date, are recognized as an expense as per the company's scheme based on expected obligations on undiscounted basis		
b) Long term Employee Benefits:		
In case of long term compensated absences i.e. long term leave encashment, the same is provided for based on actuarial valuation as at the balance sheet date, using the Projected Unit Credit Method		
Post retirement benefits comprising of employees provident fund, gratuity fund and super annuation funds are accounted for as follows:		
a) Provident Fund : This is a defined contribution plan and contributions paid to the fund are charged to revenue during the period in which the employee renders the related service. The company has no further obligations for future provident fund benefits other than regular contributions		
b) Gratuity : This is a defined contribution plan and the company's scheme is administered by Trustees and funds managed by the Life Insurance Corporation of India (LIC). The liability for Gratuity to employees as at the Balance Sheet date is determined based on the actuarial valuation using the Projected unit credit method. The contribution paid thereof is charged in the books of accounts.		
Actuarial gains or losses arising out of actuarial valuation, if any, are recognized in the Profit and Loss as income or expense.		
c) Superannuation : Fixed contributions are made to the Superannuation Fund, which is administered by Trustees and managed by LIC, are charged to the Profit and Loss Account. The Company has no liability for future Superannuation Fund benefits other than its annual contribution, which is recognized as an expense in the year incurred		
Disclosure as per AS 15 revised – Defined benefit Plans		
Past Service benefit	67,00,246	6,519,046
Funded balance	66,73,111	60,40,224
Present Value of the obligation as at 01.04.2009/ Transfer date	65,19,046	69,57,034
Interest Cost	5,44,862	2,81,262
Current Service Cost	9,09,521	4,89,687
Benefits Paid	(14,06,299)	(12,80,142)
Actuarial Gain / (Loss) on obligation	2,76,871	71,205
Present Value of the obligation as at 31.03.2010	68,44,001	65,19,046
Fair value of planned assets as at 01.04.2009	60,40,224	72,68,935
Expected Return on planned assets	5,67,021	5,53,779
Contributions	11,08,440	(6,16,906)
Benefits paid	(14,06,299)	(12,80,142)
Actuarial Gain / (Loss) on plan assets	-	1,14,559
Fair value of planned assets as at 31.03.2010	63,09,386	60,40,224
Amounts recognized in the Balance Sheet		
Present Value of the obligation as at 31.03.2010	68,44,001	65,19,046
Fair value of planned assets as at 31.03.2010	63,09,386	60,40,224
Funded status of the plan - (assets)/Liability	5,34,615	4,78,822
Amounts recognized in the statement of profit and loss		
Current Service cost	9,09,521	4,89,687
Interest cost	5,44,862	2,81,262
Expected Return on planned assets	(5,67,021)	(5,53,779)
Net actuarial gain or loss recognized in the year	2,76,871	(43,353)
Expenses recognized in the statement of profit and loss	11,64,233	1,73,816

Schedules (Contd.)

XVI. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at Year ended 31.03.2010	As at Year ended 31.03.2009
Principal actuarial assumptions		
Discount Rate	8%	8%
Salary escalation	5%	5%
Expected return on planned assets	8%	8%
AS - 16 Borrowing cost		
All borrowing costs are charged to revenue except to the extent they are attributable to qualifying assets which are capitalised. During the year under review no borrowing cost is capitalised.		
AS - 17 Segment Reporting		
Since the products sold and services rendered by the company pertains to Information Technology related products and services, the operations of the company relate to a single reportable segment.		
AS - 18 Related party Disclosure		
Disclosure is made as per the requirements of the standard and as per the clarifications issued by the Institute of Chartered Accountants of India.		
AS - 19 Leases		
This standard is not applicable as the company does not have any finance lease agreement in force.		
AS - 20 Earnings per share		
Disclosure is made in the Profit and Loss account as per the requirement of the standard.		
AS - 21 Consolidated financial statement		
This standard is not applicable to the company.		
AS - 22 Accounting for taxes on Income		
Since the company does not have any taxable income, no provision for tax is made.		
Deferred tax liability resulting from timing differences between book and taxable income is accounted for, using the tax rates in force as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future.		
Details of deferred taxation are furnished in Schedule II.		
AS - 23 Accounting for investments in Associates in Consolidated Financial Statements		
This standard is not applicable to the company as the company has made no investments.		
AS - 24 Discontinuing Operations		
This standard is not applicable to the company for the year under review.		
AS - 25 Interim Financial Reporting		
This standard is not applicable to the company as the company does not have any interim financial reporting requirements.		
AS - 26 Intangible Assets		
This standard is not applicable to the company.		
AS - 27 Financial reporting of Interest in Joint Ventures		
This standard is not applicable to the company as the company does not have any joint venture interest.		
AS - 28 Impairment of assets		
As on the Balance Sheet date the carrying amounts of the assets net of accumulated depreciation is not less than the recoverable amount of such assets. Hence there is no impairment loss on the assets of the Company.		
AS - 29 Provisions, Contingent Liabilities and Contingent Assets		
There are Contingent Assets which are likely to give rise to the possibility of inflow of economic benefits.		
Deferred Tax Asset on account of Timing difference relating to:		
a) Provision for Bad & Doubtful Debts	4,72,15,526	1,14,64,405
b) Leave Encashment - Staff Benefit	34,71,287	28,81,222
As regards goods/warranty spares held on behalf of brand owners, the company has taken Insurance Policy to cover loss arising out of theft/ fire. In respect of defective spares returned by the company's agent		

TVS-E SERVICETEC LIMITED

Schedules (Contd.)

XVI. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at Year ended 31.03.2010	As at Year ended 31.03.2009
which are to be returned to the brand owners, the risk of loss in transit/damage/theft etc is on company.		
During the year some of the company's brand owners have withheld amounts due from them towards services rendered by the company. This is on account of certain warranty spares not returned to them. As per service agreement, the spares are returnable. Steps are taken to collect the spares and return to the brand owners. In respect of the receivables from the brand owners, provision for doubtful debts in regard to dues, is made in the accounts amounting to Rs. 344.76 Lakhs based on current estimates.	34,475,973	-
Contingent Liabilities		
- On Bank Guarantees	1,50,000	90,000
- On Standby Letters of Credit	-	50,00,000
- Stock Discrepancy claim by Brand Owner	77,04,085	-
AS - 30 Financial Instruments: Recognition Measurement		
This Standard is not applicable to the company for the year under review.		
AS - 31 Financial Instruments: Presentation		
This Standard is not applicable to the company for the year under review.		
AS - 32 Financial Instruments: Disclosures		
This standard is not applicable to the company for the year under review.		
2 Sundry Debtors Include		
Due from companies under the same management - (Section 370(1-B)) of the Companies Act, 1956.		
TVS Electronics Limited, Chennai (More than 6 Months Rs. 79,60,032)	92,84,463	1,77,50,107
TVS Motor Company Limited, Chennai (More than 6 Months Rs. 1,56,101)	5,46,142	51,829
TVS Capital Funds Limited, Chennai (More than 6 Months Rs. 70,951)	81,828	94,840
TVS Finance and Services Limited, Chennai	-	2,287,395
3 Deposits include		
Deposits with Sales Tax Department	83,428	35,000
4 Current Liabilities		
Amount Payable to Micro, Small and Medium Enterprises within the meaning of Micro Small Medium Enterprises Act, 2006.		
There are no Micro and Small Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.		
5 Audit fees consists of		
a) Audit fees - As Auditors	1,64,850	85,500
b) Taxation matters	35,150	35,150
c) Certification fees	-	21,030
d) Expenses	-	44,536
Total	<u>2,00,000</u>	<u>1,86,216</u>
6 Other expenses include		
a) Travelling & Conveyance	1,02,50,376	1,57,64,842
b) Telephone	45,36,383	79,27,183
c) Carriage outwards	1,59,35,385	1,92,58,318
d) Legal & Consultancy	5,39,86,111	5,72,14,688
e) Service charges paid to partners	7,78,50,350	11,95,22,282
f) Provision for doubtful debts	3,79,35,939	98,61,526
g) Data Processing Charges	3,07,42,580	2,65,86,048
7 Interest received on staff advances netted against interest paid on other loans (TDS - Rs. 1,413/- Last Year - 2657/-)		
- On Staff Advances	13,765	16,041
- On Fixed Deposits	14,109	19,756
Total	<u>27,874</u>	<u>35,797</u>

Schedules (Contd.)

XVI. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at Year ended 31.03.2010	As at Year ended 31.03.2009
8. Remuneration to Managing Director		
a) Salaries	17,02,706	17,01,158
b) Contribution to Provident and Superannuation Funds	3,81,720	3,86,520
c) Value of Perquisites & Allowances	2,89,386	8,52,905
	<u>23,73,812</u>	<u>29,40,583</u>
Mr. S.S. Raman who was holding office as Managing Director till 31.03.2010 has become a Wholtime Director with effect from 01.04.2010		
13. Related Party Disclosures as per Accounting Standard - 18		
a) List of Related Parties		
Reporting Entity	: TVS E-Servicetec Limited, Chennai	
Clause 3 (a)	Period	
Ultimate Holding Company		
Sundaram - Clayton Limited, Chennai	: 01.04.2009 to 31.03.2010	
Holding Company		
TVS Investments Limited, Chennai	: 01.04.2009 to 31.03.2010	
Fellow Subsidiary		
TVS Electronics Limited, Chennai	: 01.04.2009 to 31.03.2010	
TVS-E Access India Limited, Chennai	: 01.04.2009 to 31.03.2010	
Anusha Investments Limited, Chennai	: 01.04.2009 to 31.03.2010	
TVS Motor Company Limited, Chennai	: 01.04.2009 to 31.03.2010	
Sundaram Auto Components Limited, Chennai	: 01.04.2009 to 31.03.2010	
TVS Motor (Singapore) Pte. Ltd., Singapore	: 01.04.2009 to 31.03.2010	
TVS Motor (Europe) BV, Netherlands	: 01.04.2009 to 31.03.2010	
PT TVS Motor Company, Indonesia	: 01.04.2009 to 31.03.2010	
TVS Energy Ltd. Chennai	: 01.04.2009 to 31.03.2010	
TVS Capital Funds Limited, Chennai	: 01.04.2009 to 31.03.2010	
Sravanaa Properties Limited, Chennai	: 01.04.2009 to 31.03.2010	
Tumkur Property Holdings Limited, Chennai	: 01.04.2009 to 31.03.2010	
Prime Property Holdings Limited, Chennai	: 01.04.2009 to 31.03.2010	
TVS Finance and Services Limited, Chennai	: 01.04.2009 to 02.03.2010	
b) Particulars of transactions with related parties		
I) Purchases Made		
Fellow Subsidiary		
TVS Electronics Limited, Chennai	22,84,465	1,78,274
II) Services availed		
Fellow Subsidiary		
TVS Electronics Limited, Chennai	2,34,04,056	2,93,46,147
TVS Motor Company Limited, Chennai	10,11,240	15,00,000
Holding Company		
TVS Investments Limited, Chennai	2,97,25,887	2,73,10,000
III) Business Transfer made		
Fellow subsidiary		
TVS Electronics Limited, Chennai	-	3,55,109
IV) Services rendered		
Fellow Subsidiary		
TVS Electronics Limited, Chennai	7,24,61,401	7,67,87,745
TVS Motor Company Limited, Chennai	70,63,246	54,17,843
TVS Capital Funds Limited, Chennai	4,78,463	3,11,046
TVS Finance & Services Limited, Chennai	7,746	21,50,241
V) Sales/Transfers of Fixed Assets Made		
Fellow Subsidiary		
TVS Electronics Limited, Chennai	12,53,176	-
Holding Company		
TVS Investments Limited, Chennai	2,29,081	3,76,303
Ultimate Holding Company		
Sundaram-Clayton Limited, Chennai	39,24,342	27,11,752

TVS-E SERVICETEC LIMITED

Schedules (Contd.)

XVI. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at /Year ended 31.03.2010	As at /Year ended 31.03.2009
VI) Key Management Personnel		
Remuneration to Managing Director – Mr S S Raman	23,73,812	29,40,583
VII) Amount outstanding as at Balance Sheet date		
a) Sundry Debtors		
Ultimate Holding Company		
Sundaram-Clayton Limited, Chennai	6,63,368	4,86,833
Fellow Subsidiary		
TVS Motor Company Limited, Chennai (More than 6 months Rs. 1,56,101)	5,46,142	2,13,150
TVS Electronics Limited, Chennai	92,84,463	1,77,50,107
TVS Capital Funds Limited, Chennai	81,828	94,840
TVS Finance and Services Limited, Chennai	-	22,87,395
b) Sundry Creditors		
Holding Company		
TVS Investments Limited, Chennai	3,51,36,109	1,74,14,722

Schedules (Contd.)

XVI. NOTES ON ACCOUNTS (Contd.)

	(Amount in Rupees)	
	As at Year ended 31.03.2010	As at Year ended 31.03.2009
II OTHER EXPENDITURE IN FOREIGN CURRENCY		
Travel	-	2,42,814
Consultancy, Legal Fee & Retainers	1,23,600	7,54,708
III SALE BY CLASS OF GOODS		
a) Income on Services rendered	39,37,70,878	42,88,83,217
b) Components, parts and spares	5,64,53,304	3,27,94,535
	<u>45,02,24,182</u>	<u>46,16,77,752</u>
IV EARNINGS IN FOREIGN EXCHANGE		
Exports (receipt basis)	5,83,28,319	12,90,08,280
	<u>5,83,28,319</u>	<u>12,90,08,280</u>

10. Information pursuant to the provisions of Part II of Schedule VI of The Companies Act, 1956 (Contd.) (vide notification dated 30th October 1973 of Department of Company Affairs, Government of India)

I. OPENING AND CLOSING STOCK OF GOODS PRODUCED AND QUANTITY PURCHASED DURING THE PERIOD

	Year ended 31.03.2010					
	Opening Stock		Purchases		Closing Stock	
	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
TRADED ITEMS						
Electronic Parts		1,39,49,676		5,15,39,120		98,03,975
		<u>1,39,49,676</u>		<u>5,15,39,120</u>		<u>98,03,975</u>

	Year ended 31.03.2009					
	Opening Stock		Purchases		Closing Stock	
	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.	Quantity Nos.	Value Rs.
TRADED ITEMS						
Electronic Parts		1,65,56,112		5,35,16,562		1,39,49,676
		<u>1,65,56,112</u>		<u>5,35,16,562</u>		<u>1,39,49,676</u>

Cash Flow Statement for the year ended 31st March 2010

	Rupees	
	Year ended 31 March 2010	Year ended 31 March 2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	(4,39,55,676)	46,19,503
Adjustments for :		
Depreciation	1,58,11,519	1,66,62,824
Interest	<u>59,80,531</u>	<u>38,01,251</u>
Operating Profit before working capital changes	(2,21,63,626)	2,50,83,578
Adjustment for :		
Inventories	41,45,701	26,06,436
Sundry Debtors	3,17,01,546	(3,50,31,914)
Loans & Advances	(3,04,55,475)	(3,25,78,064)
Current liabilities and provisions	<u>2,80,99,346</u>	<u>3,93,74,260</u>
	<u>3,34,91,118</u>	<u>(2,56,29,282)</u>
Cash generated from/(used in) operations	1,13,27,492	(5,45,704)
Fringe Benefit Tax paid	-	(16,00,000)
Net cash generated from/(used in) operations (A)	1,13,27,492	(21,45,704)
B CASH FLOW FROM INVESTING ACTIVITIES		
Fixed assets	(2,46,72,552)	(6,39,66,749)
Capital Work-in-Progress	1,12,98,345	(42,19,261)
Sale of Fixed Assets	11,17,668	-
Net cash used in investing activities (B)	(1,22,56,539)	(6,81,86,010)
C CASH FLOW FROM FINANCING ACTIVITIES		
Share capital received	-	2,00,00,000
Application money (refunded)/received	-	(5,00,000)
Loans availed from Banks	1,07,38,958	4,86,34,457
Interest paid (Net)	(59,80,531)	(38,01,251)
Net cash from financing activities (C)	47,58,427	6,43,33,206
D NET INCREASE IN CASH AND CASH EQUIVALENTS (A + B + C)	38,29,380	(59,98,508)
Opening cash and cash equivalents as at 01.04.2009	38,94,597	98,93,105
Closing cash and cash equivalents as at 31.03.2010	77,23,977	38,94,597

Notes

- The above statements have been prepared in indirect method.
- Cash and cash equivalent represents cash and bank balances.
- Interest paid net of receipts is treated as arising out of financing activities and accordingly last year's figures are regrouped

GOPAL SRINIVASAN S S RAMAN For Sundaram & Srinivasan
Chairman *Whole-time Director* *Chartered Accountants*
 Firm Regn. No: 004207S

Chennai M. BALASUBRAMANIAM
Partner
 Membership No.F7945

Balance Sheet abstract and Company's General Business Profile

I. Registration details:

Registration no. U 7 2 5 0 0 T N 2 0 0 7 P L C 0 6 3 5 4 0

State code 1 8 Balance Sheet date 3 1 0 3 2 0 1 0
 Date Month Year

II. Capital raised during the year (Amount in Rs. Thousands)

Public issue N I L Rights issue N I L
 Bonus issue N I L Private placement N I L

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total liabilities 1 7 9 5 7 0 Total assets 1 7 9 5 7 0

Source of Funds

Paid up capital** 1 2 0 0 0 0 Reserves and Surplus N I L
 Secured loans 5 9 3 7 4 Unsecured loans N I L
 Deferred Tax Liability 1 9 6

Application of Funds

Net fixed assets 7 2 9 6 4 Investments N I L
 Net current assets 4 0 5 4 4 Misc. expenditure N I L
 Accumulated losses 6 6 0 6 2

IV. Performance of Company (Amount in Rs. Thousands)

Turnover 4 5 1 3 7 2 Total Expenditure 4 9 5 3 2 7
 + - Profit /Loss before tax + - Profit/Loss after tax
 Profit 4 3 9 5 6 Profit 4 3 9 5 6

(Please tick Appropriate box + for Profit, - for Loss)

Earnings per share (Rs) - 3 . 6 6 Dividend rate (%)

V. Generic names of three Principal Products/Services of the Company (as per monetary terms)

Item Code No.	(ITC Code)	Product Description
		Warranty Management Services
		IT Peripherals

** including share application money

For and on behalf of the board As per our report of even date annexed

GOPAL SRINIVASAN S S RAMAN For Sundaram & Srinivasan
Chairman *Whole-time Director* *Chartered Accountants*
 Firm Regn. No: 004207S

Chennai M. BALASUBRAMANIAM
Partner
 Membership No.F7945