



Heart of India Applications

15th
Annual Report
2009-10

► Receipt Printers



RP-45 Shoppe



RP-35



RP-3160



RP-3200

► AIDC Products



LP-44



LP-46



BS-C101 Star



BS-L101 Platina



BS-L104 Platina



BS-L201-2D



BS-L301 Platina

► POS



PT-262
POS Terminal



TP-A570
POS System

► POS Accessories



PD-VFD



MSR-104



POS-60



Cash Drawer



Paper Roll

New
Launches

**TVS-E POS
Product Range**

Heart of India Applications

Contents

TVS ELECTRONICS LIMITED

1. Board of Directors	...	2
2. Financial Highlights	...	3
2. Notice	...	4
3. Directors' Report	...	8
4. Report on Corporate Governance	...	15
5. Auditors' Report	...	23
6. Balance Sheet	...	26
7. Profit & Loss Account	...	27
8. Schedules	...	28
9. Notes on Accounts	...	35
10. Disclosure-Clause 32 of the Listing Agreement	...	55
11. Cash Flow Statement	...	56
12. Company Profile	...	57
13. Statement relating to Subsidiary	...	58

CONSOLIDATED ACCOUNTS

1. Auditors' Report on Consolidated Accounts	...	61
2. Consolidated Balance Sheet	...	62
3. Consolidated Profit & Loss Account	...	63
4. Consolidated Schedules	...	64
5. Consolidated Cash Flow Statement	...	71
6. Accounting Policies on Consolidation	...	72

TUMKUR PROPERTY HOLDINGS LIMITED (Subsidiary)

1. Directors' Report	...	74
2. Auditors' Report	...	76
3. Balance Sheet	...	78
4. Profit & Loss Account	...	79
5. Schedules	...	80
6. Notes on Accounts	...	81

PRIME PROPERTY HOLDINGS LIMITED (Subsidiary)

1. Directors' Report	...	86
2. Auditors' Report	...	88
3. Balance Sheet	...	90
4. Profit & Loss Account	...	91
5. Schedules	...	92
6. Notes on Accounts	...	93

Board of Directors

Gopal Srinivasan	<i>Chairman</i>
H Lakshmanan	
S R Vijayakar	
R R Nair	
Sridhar Mitta	
R Ramaraj	
D Sundaram	
Kenneth Tai	
S S Raman	<i>Managing Director</i>

Committees of the Board

Audit Committee

D Sundaram	<i>Chairman</i>
S R Vijayakar	
H Lakshmanan	
Sridhar Mitta	

Investors' Grievance Committee

Gopal Srinivasan	<i>Chairman</i>
H Lakshmanan	
R Ramaraj	

Remuneration/Compensation Committee

R R Nair	<i>Chairman</i>
S R Vijayakar	
H Lakshmanan	
D Sundaram	

Auditors

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

Company Secretary

D Srinivasan

Bankers

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

Registered Office

"Jayalakshmi Estates",
29, Haddows Road,
Chennai - 600 006.
Tel: 91-44-28277155

Administrative Office

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

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 Ltd.
National Stock Exchange of India Ltd.

Financial Highlights - Ten Years at a glance

Rs. in Lakhs

Sl.No	Particulars	2000	2001	2002*	2003	2004-2005#	2005-2006	2006-2007	2007-2008@	2008-2009	2009-2010
1.	PROFIT AND LOSS ACCOUNT										
	Sales	22,412	21,599	2,316	26,151	31,574	25,950	27,242	20,764	19,067	19,040
	Other Income	19	15	54	400	166	623	472	765	473	407
	Total Income	22,431	21,614	2,370	26,551	31,740	26,573	27,714	21,529	19,540	19,447
	Earnings before Interest Depreciation and Tax (EBITDA)	1,436	1,226	223	1,515	1,773	1,631	1,652	2,615	439	666
	Depreciation	268	348	69	521	754	743	702	522	476	449
	Profit before Interest and Tax (EBIT)	1,168	878	154	994	1,019	888	950	2,093	(37)	217
	Interest	660	695	58	508	470	600	764	603	522	721
	PBT	508	183	96	486	549	288	186	1,490	(559)	(504)
	Tax Expense	84	21	34	121	121	(27)	—	380	211	(161)
	PAT	424	162	62	365	428	315	186	1,110	(770)	(343)
2.	BALANCE SHEET										
	Share Capital	1,703	1,703	1,767	1,767	1,767	1,767	1,767	1,767	1,767	1,767
	Reserves & Surplus	1,828	1,862	1,696	1,935	2,196	2,354	2,371	3,296	2,523	2,176
	Network	3,531	3,565	3,463	3,702	3,963	4,121	4,138	5,063	4,290	3,943
	Loan Funds	6,399	7,065	7,507	6,994	6,538	8,860	8,909	4,538	5,738	6,133
	Capital Employed	9,930	10,630	10,970	10,696	10,501	12,981	13,047	9,601	10,028	10,076
	Deferred Tax Liability	—	—	355	370	452	298	197	158	202	184
	Total	9,930	10,630	11,325	11,066	10,953	13,279	13,244	9,759	10,230	10,260
	Net Fixed Assets	2,406	2,528	4,619	5,036	5,518	3,864	3,397	2,393	2,422	2,135
	Investments	1,138	1,438	1,687	1,636	1,637	1,642	1,692	626	1,501	1,501
	Current Assets	12,327	12,296	10,692	12,422	11,000	12,815	13,090	10,596	10,828	9,827
	Current Liability & Provision	5,941	5,632	5,673	8,028	7,202	5,042	4,935	3,856	4,521	3,203
	Net Current Assets	6,386	6,664	5,019	4,394	3,798	7,773	8,155	6,740	6,307	6,624
	Total	9,930	10,630	11,325	11,066	10,953	13,279	13,244	9,759	10,230	10,260
3.	RATIOS										
a)	EPS (Rs)	2.3	1.0	5.2	2.1	2.4	1.8	1.1	6.3	(4.4)	(2.0)
b)	Dividend (%)	10	7.5	7.5	7.5	9.0	7.5	7.5	10	—	—
c)	Book Value per Share (Rs)	21	21	20	21	22	23	23	29	24	22
d)	Return on Capital Employed (ROCE %)	11.8%	8.3%	1.4%	9.3%	9.7%	6.8%	7.3%	21.8%	(0.4)%	2.2%
e)	Return on networth (RONW %)	12.0%	4.5%	1.8%	9.9%	10.8%	7.7%	4.5%	21.9%	(18)%	(8.7)%
f)	Fixed Asset Turnover Ratio	11.5	8.8	0.6	5.4	6.0	5.5	7.5	7.2	7.9	8.4
g)	Working Capital Turnover Ratio	3.8	3.3	0.4	5.6	7.7	4.5	3.4	2.8	2.9	2.9
h)	Debt Equity Ratio	1.8	2.0	2.2	1.9	1.6	2.1	2.2	0.9	1.3	1.6
i)	EBITDA as % of Sales	6.4%	5.7%	9.6%	5.8%	5.6%	6.3%	6.1%	12.6%	2.3%	3.5%
j)	EBIT as % of Sales	5.2%	4.1%	6.6%	3.8%	3.2%	3.4%	3.5%	10.1%	(0.2)%	1.1%
k)	Net profit as % of Total Income	1.9%	0.7%	2.6%	1.4%	1.3%	1.2%	0.7%	5.2%	(3.9)%	(1.8)%
l)	R&D (Revenue and Capital) Expenditure as a % of Total Income	2.0%	1.9%	0.8%	1.3%	1.8%	1.7%	1.3%	1.5%	1.9%	1.1%

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 1st Nov,2002 (Four Companies) and 9th Dec 2002 (TVS Electronics Ltd) 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 from December to March.

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

Notice to the Shareholders

NOTICE is hereby given that the Fifteenth 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 Monday, 6th September, 2010 at 10.00 AM to transact the following business:

ORDINARY BUSINESS

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

“RESOLVED THAT the audited Balance Sheet as at 31st March, 2010 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. R Ramaraj who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company”.

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

“RESOLVED THAT Mr. H Lakshmanan who retires by rotation and being eligible for re-appointment be and is hereby re-appointed as a Director of the Company”.

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

“RESOLVED THAT the retiring Auditors, M/s.Sundaram & Srinivasan, Chartered Accountants, Chennai be and are hereby re-appointed as Auditors of this Company to hold office from the conclusion of this 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. Kenneth Tai 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.

SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 approval of the Company be and is hereby accorded for the appointment of Mr. S S Raman, as Managing Director of the Company on the following terms:

1. Mr. S S Raman, be and is hereby appointed as Managing Director of the Company from 1st April, 2010 to 30th April, 2012.
2. By way of salary, allowances, commission on profits, performance linked incentive or bonus, (including the annual increments/revisions), medical reimbursement, leave travel concession for self and family, club fees, medical/personal accident insurance premiums and other benefits or amenities hereinafter referred to as remuneration, subject to a ceiling of Rs.30 Lakhs per annum.
3. Such perquisites shall be evaluated at actual cost to the Company and where it is not possible to ascertain the actual cost, such perquisites shall be evaluated as per Income-tax Rules, 1962.
4. Provision for use of Company car for official duties and telephone at residence (including payment for local calls and long distance calls) shall not be included in the computation of perquisites for the purpose of calculation of the said ceiling. Personal long distance calls on telephone and use of Company car for private purposes shall be recovered by the Company from Mr. S S Raman.
5. Company's contribution to Provident Fund and Superannuation Fund not exceeding such percentage of the salary as may be fixed by the Central Government from time to time and Gratuity as per rules of the Company shall not be included in the computation of the limits for remuneration or perquisites aforesaid.
6. Besides the above, Mr. S S Raman, will be eligible for allotment of the equity shares of the Company as per rules of the Employees Stock Option Scheme (ESOP) or any other similar Scheme, as and when they may be formulated by the Company.

Notice to the Shareholders (Contd.)

RESOLVED FURTHER THAT the Remuneration Committee of Directors be and is hereby authorised for fixing and revising the minimum remuneration payable to Mr. S S Raman, Managing Director in case of no profits or inadequate profits in any particular financial year within the ceiling limits specified under Schedule XIII to the Companies Act, 1956, calculated in accordance with the effective capital of the Company as on the last date of the financial year immediately preceding the financial year in which the remuneration is proposed to be increased".

By Order of the Board

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

29th July, 2010

D Srinivasan
Company Secretary

NOTES

- 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 or authority shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.**
- The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business as set out in the notice is annexed hereto.
- The Register of Members and the share transfer books of the Company will remain closed from 1st September 2010 to 6th September 2010, both days inclusive.
- Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, dividend declared by the Company which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. The particulars of the 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 to the

Company by surrendering the unencashed warrants immediately.

- Members are requested to notify immediately any change in their address to the Company. Members holding shares in electronic form are requested to advice change of address to their depository participants.
- As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the meeting.
- Members are requested to sign at the space provided on the attendance sheet annexed to the proxy form and hand over the slip at the entrance of the meeting hall.
- 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 is given below:

Mr. R RAMARAJ

Born on 16th February, 1950, Mr. R Ramaraj is a B.Tech in Chemical Engineering from the University of Madras and an MBA from the IIM, Calcutta. Beginning his career in Sales and Marketing, Mr Ramaraj went on to pioneer the retail marketing of computers in India by establishing Computer Point in 1984. He was a Founder Director of Microland Ltd before a stint in cellular telephony as Director, Sterling Cellular up to 1996. He has been associated with Sify since inception.

Mr. R Ramaraj is Venture Partner with Sequoia Capital, India. He is currently, the first Indian in the ICAAN Board. Mr. R Ramaraj is the Co-Founder & Advisor and till recently the CEO of Sify Limited, the pioneer and leader in Internet, Networking and e-Commerce Services in India. Mr. R. Ramaraj was recognized as the 'Evangelist of the Year' at the India Internet World Convention in September, 2000. In October 2000, Sify was voted the 'Company of the Year' at the Silicon India Annual Technology and Entrepreneurship Conference in San Jose, California, USA. In 2001, in a CNET.com poll in India, Mr. Ramaraj was voted the IT Person of the Year 2000. He was invited by the UN General Secretary, Mr. Kofi Annan to be a member of UN's Working group on Internet Governance (WGIG). Under his leadership, the company was voted 'ISP of the Year' at the second annual Internet World Asia Industry Awards, 2001 from among nominees such as NTT DoCoMo of Japan and Korea Thrunet. The nominations were for excellence based on strategic vision, innovation, customer service, bandwidth performance and connectivity.

Notice to the Shareholders (Contd.)

Mr. Ramaraj holds 35,000 equity shares in the Company.

The other directorship/office held by him is provided hereunder:-

S. No.	Name of the Company/Firm	Nature of Interest
1.	Madura Micro Finance Limited	Director
2.	Universal Print System Limited	Director
3.	Executive and Business Coaching Foundation of India Limited	Director
4.	TVS-E Servicetec Limited	Director
5.	Apollo Health Street Limited	Director
6.	R S Software(India) Limited	Director
7.	MAPE Advisory Group Private Ltd	Director
8.	Guruji.com Software Private Limited	Nominee Director
9.	Congruent Solutions Private Limited	Nominee Director
10.	Digital Signage Networks India Private Limited	Nominee Director
11.	Apnapaisa Private Limited	Nominee Director
12.	Ideacts Innovations Private Limited	Nominee Director
13.	Minglebox Communications Pvt Ltd	Nominee Director
14.	7Strata Inc	Nominee Director

The membership in Committee of other companies is also listed hereunder:

S. No.	Name of the Company	Committee Name	Position
1.	TVS-E Servicetec Limited	Audit Committee	Member

Mr. H LAKSHMANAN

Born on 14th August, 1933, Mr. H Lakshmanan is a Company Executive with a vast experience. He joined the TVS Group in 1953. He became the Executive Director of Sundaram - Clayton Limited in 1982 and continues to hold the position. He has rich experience, expertise and knowledge in the areas of Finance, HR, Industrial Relations, Business Administration and Management.

The other Directorship / offices are:

S. No.	Name of the Company/Firm	Nature of Interest
Public Limited Companies		
1.	TVS Motor Company Limited	Director
2.	Harita Seating Systems Limited	Chairman
3.	Anusha Investments Limited	Whole-time Director
4.	Sundaram Auto Components Limited	Director
5.	TVS Finance and Services Limited	Director
6.	TVS Investments Limited	Director
7.	TVS Capital Funds Limited	Director
8.	Harita-NTI Limited	Director
9.	Harita Techserv Limited	Director
10.	TVS Motor Services Limited	Director

S. No.	Name of the Company/Firm	Nature of Interest
11.	Harita Fehrer Limited	Director
12.	TVS Energy Limited	Director
Private Companies		
13.	TVS Motor (Singapore) Pte Limited	Director
14.	TVS Motor Company (Europe)B.V Netherlands	Director
15.	PT TVS Motor Company(Indonesia)	Commissioner
16.	Harita Properties Private Limited	Director
17.	Harita Interiors Private Limited	Director
18.	TVS Motor Harita Employees Welfare Foundation Private Limited	Director

The membership in Committees of other companies is also listed hereunder:

S. No.	Name of the Company	Committee Name	Position
1.	Harita Seating Systems Limited	Investors Grievance Committee	Chairman
2.	TVS Investments Ltd	Audit Committee	Chairman
3.	Sundaram Auto Components Limited	Audit Committee	Chairman
4.	Harita Techserv Limited	Audit Committee	Chairman
5.	Harita Seating Systems Limited	Audit Committee	Chairman
6.	TVS Finance and Services Limited	Audit Committee	Member
7.	Anusha Investments Limited	Audit Committee	Member
8.	Harita Fehrer Limited	Audit Committee	Member

Mr. Lakshmanan holds 350 equity shares in the Company.

Mr. S S RAMAN

Born on April 22, 1952 Mr. S S Raman has obtained B.E. Mech (Hons) from REC Calicut in 1974 and PGDBM & Masters Diploma in Business Admn (Prodn. Engg.) in 1985 from IMDR, Pune. He is also a Certified Executive Coach from Coaching Foundation India Limited.

Mr. S S Raman has more than three decades of diverse experience in Manufacturing, SCM, Technology, Sales & Marketing. He has worked with leading companies like TELCO, Pune, Birla Yamaha, TVS Whirlpool and Whirlpool Corporation Limited. He Left Whirlpool Corporation in 2005 as Executive Director and joined TVS Electronics Limited as President.

Mr. S S Raman does not hold any equity shares in the Company.

The other directorships held by him are as follows:

S. No.	Name of the Company	Nature of Interest
1.	TVS-E Servicetec Limited	Whole-time Director
2.	TVS-E Access India Limited	Director
3.	Tumkur Property Holdings Limited	Director
4.	Modular InfoTech Private Limited	Director

Notice to the Shareholders (Contd.)

Mr. Kenneth Tai

Born on 24th May, 1950 Mr. Kenneth Tai is a Co-Founder, General Partner and Chairman of InveStar Capital, Inc.

Mr. Kenneth Tai is also on the Boards of several hi-tech companies including Avant! Corp. (NASDAQ: AVNT) and AltiGen Communications, Inc. (NASDAQ: ATGN).

Since April 1998, Mr. Tai has been serving as Chairman of DigiTimes Publication, Inc., a Taiwan daily newspaper that reports on the electronics and related industries throughout Asia and the world. From March 1993 to December 1995, he served as Vice-Chairman of UMAX USA, a manufacturer of computer peripherals.

Mr. Tai was one of the co-founders of the Acer Group, where he held from 1976 to 1993 various positions including Vice President of Sales and Marketing worldwide and then President of the Acer Group. Mr. Tai received a Bachelor of Science degree in Electrical Engineering from

the National Chiao Tung University in Taiwan and a Master of Business Administration degree from Tamkang University in Taiwan.

Mr. Kenneth Tai does not hold any equity shares in the Company.

The other directorships held by him are as follows:

S. No.	Name of the Company	Nature of Interest
1.	Richtek Technology Corporation	Chairman
2.	InveStar Capital Inc	Chairman
3.	DigiTimes Inc	Chairman
4.	Wafer Works Corporation	Director
5.	GrandTech Systems Inc	Director
6.	Fullerton Technology Inc	Director
7.	Global Testing Corp. of Singapore	Director
8.	TVS Capital Funds 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 business mentioned in the accompanying notice and shall be taken as forming part of the notice.

Item No.5

Mr. Kenneth Tai was co-opted as an Additional Director at the meeting of the Board of Directors held on 29th July, 2010. The appointment of Mr. Kenneth Tai to the Board is considered very valuable to the Company given his wide and rich experience. Pursuant to the provisions of Section 260, an Additional Director appointed by the Board shall hold office upto the ensuing Annual General Meeting. Accordingly, he will be vacating office at the forthcoming Annual General meeting. The company has received a notice from a member signifying his intension to propose the appointment of Mr. Kenneth Tai as a Director of the Company in compliance with Section 257 of the Companies Act, 1956.

The resolution proposing his name for appointment is submitted to meeting for consideration.

None of the directors are interested in the resolution except the proposed appointee.

Item No.6

Mr. S S Raman was appointed as the Whole time Director of the Company pursuant to Sections 269, 309 and 314 read with Schedule XIII of the Companies Act, 1956, with

the designation as "Chief Executive Officer" (CEO) for a period of three years without any remuneration effective 1st May, 2009. The Shareholders approved the appointment at their Annual General Meeting held on 4th September, 2009.

At the Board meeting held on 24th April, 2010 the Board changed the terms of appointment of Mr. S S Raman, Whole time Director and decided to pay him remuneration for the remaining term of office i.e from 1st April, 2010 to 30th April, 2012. The remuneration payable to him is governed by Part II of the Schedule XIII of the Companies Act 1956.

The above change in terms of appointment is subject to the approval of the shareholders in a general meeting.

The Directors recommend the Special Resolution for approval of Members.

The relevant documents relating to the above appointment may be inspected at the Registered Office of the Company during working hours between 10 AM and 12 Noon from Monday to Friday.

None of the Directors are interested in the resolution except the proposed appointee.

By Order of the Board

Registered Office:
"Jayalakshmi Estates",
No.29, Haddows Road,
Chennai -600 006.

29th July, 2010

D. SRINIVASAN
Company Secretary

Directors' Report to the Shareholders

The Directors hereby present their fifteenth annual report on the business and operations of the Company and the financial accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The highlights of the financial performance of the Company are as follows:

(Rs. in lakhs)

Particulars	Year ended 31st March, 2010	Year ended 31st March, 2009
Sales and other income	19,447	19,540
Earnings Before Interest & Tax (EBIT)	218	(26)
Profit / (Loss) Before Tax (PBT) before extraordinary items	(504)	(549)
Income from Extraordinary Items (Net)	-	(10)
Profit / (Loss) Before Tax	(504)	(559)
Profit / (Loss) After Tax (PAT)	(486)	(631)
Add: Profit brought forward from previous year	778	1,549
Add / (Less): Tax relating to earlier years	143	(140)
Total available for appropriations	435	778
Surplus in Profit and Loss account	435	778

Business results and key highlights of operations:

During the year ended 31st March '10, the Company reported Sales Revenues of Rs.190.4 Cr., at the same level as that of previous year (2008-09). However due to focused cost management exercise, the Earnings Before Interest and Tax (EBIT) for the year improved to Rs.2.18 Cr as against reported loss of Rs.0.26 Cr (Previous year).

The Dot Matrix Printer (DMP) sales recovered in the second half of the year both in volume and value terms. Within DMP, Small format printer picked up growth during the second half of the year. While some parts of DMP were under pressure due to lower demand and application migration, the Company registered better growth in Enterprise and Government segments gaining in volume and value. The Supplies business of DMP also recorded growth with focus on installed base including key accounts.

The Company's Point of Sale (POS) products business consisting of peripherals, printers and devices achieved a significant growth momentum and grew substantially as compared to previous year. The Company continues to focus on fulfillment of customer needs by continuous and extensive engagement with customers resulting in launch of Scanners and Thermal Mini Printers in the market. New products launch is a key part of the POS growth strategy and as a key enabler, the Company has also prioritized on leveraging its Service and Support infrastructure as key differentiator for driving growth. The Company believes that POS business offers significant growth opportunity for building long term value especially in the context of DMP business having limited scope for growth. Launch of new products will continue to be focused upon.

Overall profitability of the Company in terms of EBIT margins improved from negative 0.3% to 1.1%. This was possible due to aggressive Total Cost Management initiatives and the focus on product mix improvements. The Company continues to drive manufacturing excellence and cost management initiatives to reduce variable and fixed costs. Some of the cost management initiatives like relocation of office facility and consequent reduction in rentals and establishment cost, consolidation of national distribution, energy conservation measures and improved productivity helped the Company to reduce its costs.