

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ashish Jalan
(Chairman and Managing Director)
Anupam Vaid
Deepak Chowdhary
S. Nandakumar

AUDITORS

GSV Associates
Chartered Accountants
Chennai

BANKERS

ICICI Bank Limited, Chennai
Citibank N.A, Chennai

REGISTRAR & SHARE TRANSFER AGENT

GNSA Infotech Limited
Nelson Chambers,
4th Floor, F Block,
No. 115 Nelson Manickam Road,
Aminjikarai,
Chennai – 600 029

REGISTERED OFFICE

II Floor, No. 67, (Old No. 19),
Dr.Ranga Road, Mylapore,
Chennai – 600004

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the 34th Annual General Meeting of the Members of S&S Power Switchgear Limited will be held on Friday the 28th September 2012 at 3 p.m. at Bharatiya Vidya Bhavan (Mini Hall), New No. 18, 20, 22 (Old No. 37 - 39), East Mada Street, Mylapore, Chennai - 600004 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss account of the company for the year ended 31.03.2012, the Balance Sheet as at that date and the Directors' and Auditor's reports thereon.
2. To appoint a Director in the place of Mr. Deepak Chowdhary, who retires by rotation in terms of Article 118 of the Company's Articles of Association and being eligible offers himself for re-appointment
3. To appoint auditors for the current year to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. GSV Associates, Chartered Accountants, the present Auditors of the Company, retire and are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. S. Nandakumar, Additional Director of the Company, in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to Section 268, 198, 269 and 309 of the Companies Act, 1956 read with Schedule XIII and all other provisions, approval be and is hereby accorded to the reappointment of Mr. Ashish Jalan as the Chairman and Managing Director of the Company, for a period of 3 years from 1st October, 2011 up to 30th September, 2014, who shall not be liable to retire by rotation and upon the terms and conditions including the remuneration to be paid to him as set out below including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment in terms of Schedule XIII, of the Companies Act, 1956.

- (a) Salary - Rs. Rs.1,30,000/- per month
- (b) Perquisites in addition to the above salary, are as follows :

i) Housing Furnished / Unfurnished Residential Accommodation or House Rent Allowance of Rs. 65,000/- per month in lieu thereof

ii) Company's contribution towards Provident Fund Contribution to Provident Fund as per rules of the Company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961

iii) Gratuity as per rules of the Company. This shall not be included in the computation of limits for perquisites aforesaid

(The total amount under 1 and 2 (i) (ii) and (iii) works out to Rs. 2,16,853/- per month

iv) Earned / Privilege Leave as per the Rules of the Company. Leave accumulated and not availed of during the tenure as whole time director will be allowed to be encashed at the time of his retirement as per rules of the Company

(c) Notice Period 3 months on either side

(d) For the purposes of foregoing, perquisites shall be valued as per Income Tax Rules, 1962. In absence of any such rule, perquisites shall be evaluated at actual cost.

(e) Mr. Ashish Jalan will not be entitled to any sitting fee for attending meetings of the Board or of any Committee thereof

"RESOLVED FURTHER THAT in the event of there being inadequacy or absence of profits in any financial year during the currency of the tenure of the Managing Director, the above remuneration shall be treated as minimum remuneration in accordance with Section II of Part II of Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed by the Government from time to time and shall be paid to him".

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to alter or vary the terms and conditions of said remuneration from time to time so long as it does not exceed the limits specified in Section 198 and 309 of the Companies Act, 1956 or any modification or re-enactments thereof, for the time being in force and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to the resolution

"RESOLVED FURTHER THAT Mr Anupam Vaid, Mr Deepak Chowdhary and Mrs. Sandhya Chandrasekaran, Company Secretary be and is hereby severally authorized to file necessary e forms with the Registrar of Companies and to do all acts, deeds and things as may be necessary in this regard".

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

"RESOLVED THAT pursuant to Section 163 and such other applicable provisions, if any, of the Companies Act, 1956, approval be and is hereby accorded for maintenance of the Register of Members, Index of Members, Register of Debentures, Register of Debenture holders, Index of Debenture holders, copies of Annual Returns together with copies of Certificates and documents required to be annexed hereto and other documents at the address of GNSA at Nelson Chambers, 4th Floor, F Block No. 115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029."

**On behalf of the Board of Directors
For S&S Power Switchgear Limited**

**Ashish Jalan
Chairman & Managing Director**

Date : August 23, 2012
Place : Chennai

Notes:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed herewith
2. A member entitled to attend and vote is entitled to appoint a proxy and such proxy need not be a member of the Company, proxies, in order to be effective, should be lodged with the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday the 26th September 2012 to Friday 28th September 2012 (both days are inclusive).
4. Members are requested to notify any change in their address to the Company or its Share Transfer Agents. In case of shares held in dematerialized form, this information should be passed on to their respective Depository Participants without any delay.
5. Members holding shares in physical form are requested to dematerialize the shares in electronic form to facilitate faster transfer and avoid rejections for bad deliveries. The share certificates may be sent directly to our Share Transfer Agent: GNSA Infotech Limited, Nelson Chambers, 4th Floor, F Block, No. 115 Nelson Manickam Road, Aminjikarai, Chennai – 600 029.
6. Corporate members are requested to send a duly certified copy of the board resolution/power of attorney authorizing their representative to attend and vote at the annual general meeting.

ANNEXURE TO NOTICE

Information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges

The information in respect of **item no. 2** and **item no. 4** in accordance with clause 49(iv) (g) of the listing agreement for Corporate Governance about directors seeking appointment and re-appointment in this annual general meeting are furnished hereunder

| Particulars | Item No.2 |
|---|---|
| Name of the Director | Mr. Deepak Chowdhary |
| Date of Birth | 13.10.1958 |
| Date of Appointment | 23.01.12009 |
| Qualification | B. Com (Hons) Graduate from Sydenham College of Commerce and Economics |
| Experience in specific functional areas | Mr. Deepak Chowdhary is the promoter of MPM Pvt. Ltd., a foundry Consumables Company located in Nagpur, India. He was also the Chairman of the Institute of Indian Foundry-men, Nagpur Chapter and Chief Spokesperson for the MIDC Industries Association an Apex body of Industrialists of the prestigious Hingna Industrial Estate at Nagpur for 2 successive terms. He has been on the Executive Management Committee for several years. He is also a Guest Lecturer at Kavikulguru Institute of Technology and Science, Ramtek, on various topics such as Entrepreneurship Development, Business Etiquettes, etc. |
| List of other Companies in which Directorship held | MPM Pvt. Ltd. Ambarati Automation P Ltd. Amba Agencies P Ltd. MPM Infosoft P Ltd. MPM Foundry Solutions P Ltd. MPM Durrans Refracoat P Ltd. Rukmani Metals & Gaseous Ltd. Leansoft Solutions P Ltd. S&S Power Switchgear Equipment Ltd. |
| Chairman/ Member of the Committee | 1. Audit Committee - Member 2. Investors' Grievance Redressal Cum Share Transfer Committee - Member 3. Remuneration Committee - Member |
| Number of Shares held in the Company (both own or held by / for other persons on a beneficial basis) as on March 31, 2012 | Nil |

The Board recommends the resolution for your approval.

None of the Directors other than Mr. Deepak Chowdhary is concerned or interested in the resolution.

ITEM NO. 4

The Board has co-opted Mr. S. Nandakumar as an Additional Director of the Company in their Meeting held on February 2, 2012 and he holds office as a Director upto the date of this Annual General Meeting. The Company has received a notice under Section 257 of the Companies Act, 1956 from a member alongwith requisite deposit, signifying his intention to propose Mr. S. Nandakumar as Director of the Company.

| Particulars | Item No.4 |
|---|---|
| Name of the Director | Mr. S. Nandakumar |
| Date of Birth | 20.11.1953 |
| Date of Appointment | 02.02.2012 |
| Qualification | Chartered Accountant |
| Experience in specific functional areas | Mr S Nanda Kumar is a Chartered Accountant by profession and has wide knowledge in Corporate matters. |
| List of other Companies in which Directorship held | Krish Enterprises Pvt Ltd Cambridge Creations Pvt Ltd |
| Chairman/ Member of the Committee of the Board of Director of the Company | 1. Remuneration Committee - Member 2. Investors' Grievance Redressal Cum Share Transfer Committee - Member |
| Number of Shares held in the Company (both own or held by/for other persons on a beneficial basis) as on March 31, 2012 | Nil |

The Board recommends the resolution for your approval.

None of the Directors other than Mr. S. Nandakumar is concerned or interested in the resolution.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

The following Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, sets out all

material facts relating to Item Nos. 5 and 6 mentioned in the accompanying Notice dated August 23, 2012.

ITEM NO. 5

Mr. Ashish Jalan was appointed as Chairman and Managing Director for a period of 3 years with effect from October 1, 2008 to September 30, 2011 in the 31st Annual General Meeting held on September 30, 2009. The Board of the Directors of the Company, at its meeting held on November 14, 2011, approved the reappointment and remuneration of Mr. Ashish Jalan as the Chairman cum Managing Director of the Company with effect from October 1, 2011 for a period of 3 years. Mr. Ashish Jalan's reappointment as Managing Director is subject to the provisions of Schedule XIII and Section 198, 269 and other applicable provisions of the Companies Act, 1956 and approval of the shareholders in the General Meeting.

An abstract under Section 302 of the Companies Act, 1956 for reappointment and fixation of remuneration to Mr. Ashish Jalan has already been circulated to the members of the Company.

The Company has already entered into an agreement with Mr. Ashish Jalan dated November 14, 2011 on the terms agreed upon and is open for inspection by the members of the Company.

During his tenure as the Managing Director of the Company, Mr. Jalan has been instrumental in establishing a subsidiary company under the name of S&S Power Switchgear Equipment Private Limited in Joint Venture collaboration with COELME - Costruzioni Elettromeccaniche SpA, Italy for manufacture of disconnectors. The Company expects huge benefits from the JV Company in the years to come.

Your Company would be benefitted by the long experience of Mr. Jalan as an industrialist and in the field of switchgears.

None of the Directors other than Mr. Ashish Jalan is concerned or interested in the resolution.

Information required under Clause (iv) of proviso to paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956

The information below is in relation to the proposal contained in Item No. 5 of the Notice relating to the appointment and payment of remuneration to Mr. Ashish as Chairman and Managing Director of the Company

| I GENERAL INFORMATION | |
|--|---|
| 1. Nature of Industry | Manufacturer of Electrical Equipment |
| 2. Date or expected date of commencement of commercial production | 01-09-1975 |
| 3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | Not applicable since the Company is an existing Company |

| | | | |
|--|---|------------|------------|
| 4. Financial performance based on given indicators (Rs. In thousands) | | | |
| | 31.03.2012 | 31.03.2011 | 31.03.2010 |
| Sales (Gross) | 15,811 | 27,289 | 128,931 |
| Profit before tax | (17,193) | (21,202) | (25,314) |
| Profit after tax | (17,193) | (21,202) | (25,314) |
| Shareholders' funds | | | |
| Net Profit as computed under Section 349 of the Companies Act, 1956 | (67,467) | (50,274) | (29,072) |
| 5. Export performance and net foreign exchange collaborations | The FOB value of company's exports and Income was Rs. Nil in 2011-12, Rs. Nil in 2010-11, Rs. 934,33,099 in 2009-10 | | |
| 6. Foreign investments or collaborations, if any | NIL | | |
| II. INFORMATION ABOUT THE APPOINTEE | | | |
| 1. Background details | The appointee is a commerce graduate and an industrialist having long and diverse experience. He is associated with the Company for over two decades. | | |
| 2. Past remuneration | <p>(a) Salary – Rs. 1,30,000/- per month</p> <p>(b) Perquisites in addition to the above salary, are as follows :</p> <ul style="list-style-type: none"> i. Housing Furnished / Unfurnished Residential Accommodation or House Rent Allowance of Rs. 65,000 per month in lieu thereof ii. Company's contribution towards Provident Fund Contribution to Provident Fund as per rules of the Company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 iii. Gratuity as per rules of the Company. This shall not be included in the computation of limits for perquisites aforesaid iv. Earned / Privilege Leave as per the Rules of the Company. Leave accumulated and not availed of during the tenure as whole time director will be allowed to be encashed at the time of his retirement as per rules of the Company | | |
| 3. Recognition or awards / Job Profile and his suitability | The appointee as the Chairman of the Company took the lead in establishing a Joint Venture collaboration with the world renowned COELME Costruzioni Elettromeccaniche SpA, Italy for technical and financial collaboration in the field of switchgears manufacturing in the electrical industry. His wide contacts with reputed companies in the switchgear field would also help the company achieve its objectives. | | |
| 4. Remuneration proposed | The remuneration of Mr. Ashish Jalan is set out above | | |
| 5. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (Incase of expatriates the relevant details would be w.r.t. the country of his origin) | The remuneration of Mr. Ashish Jalan is in tune with the remuneration in similar sized industries in same segment of business | | |
| 6. Pecuniary relationship directly or indirectly with the Company or managerial personnel, if any relationship with | Mr. Ashish Jalan is a promoter director and holds 30,915 equity shares in the Company. None of the managerial personnel is related to Mr. Ashish Jalan | | |

| III. OTHER INFORMATION | |
|--|--|
| 1. Reasons of loss or inadequate profits | General recession in the economy for capital goods and consequent slash in prices leading to slender margins besides reduction in export volumes |
| 2. Steps taken or proposed to be taken for improvement | Re-entering into the field of vacuum circuit breaker segment, reduction in the input cost and revamping of the organization structure |
| 3. Expected increase in productivity and profits in measurable terms | Expected joint ventures would enhance the acceptability of products thereby increasing the volumes resulting in profitability |

The Board recommends the resolution for your approval.

None of the Directors other than Mr. Ashish Jalan is concerned or interested in the resolution.

ITEM NO. 6

By a Special Resolution passed at the Annual General Meeting held on August 31, 2000, the members had approved the keeping of the Register of Members, Index of Members, copies of certificates and documents required to be annexed thereto, at the office of Registrars of GNSA Infotech Limited (GNSA) at G R Mansion, No. 11, Srinivasa Road, Pandy Bazaar, T. Nagar, Chennai – 600 017. As GNSA has shifted its corporate office to Nelson Chambers, 4th Floor, F Block No. 115, Nelson Manickam Road, Aminjikarai, Chennai – 600 029, it is required that approval of the members of the Company is taken for keeping the prescribed Registers, Documents and Records at the said new address of GNSA.

A copy of the Special Resolution has been sent in advance to the Registrar of Companies, Chennai as required under Section 163 of the Companies Act, 1956.

None of the Directors of the Company is interested / concerned in the Special Resolution under Item No. 6 of the Notice.

The Board of Directors of the Company recommends passing of the aforesaid Special Resolution.

**On behalf of the Board of Directors
For S&S Power Switchgear Limited**

**Ashish Jalan
Chairman & Managing Director**

Date : August 23, 2012
Place : Chennai

REPORT OF DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

The Directors have pleasure in presenting herewith the Thirty Fourth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2012.

FINANCIAL RESULTS

(Rs. in Million)

| Particulars | 2011-12 (12 months) | 2010-11 (12 months) |
|---|------------------------|------------------------|
| Sales and other operational income | 15.81 | 18.00 |
| Other Income | 17.61 | 21.86 |
| Gross Profit / (Loss) | 6.57 | 9.24 |
| Add: Depreciation | 2.59 | 2.41 |
| Interest | 0.41 | 0.77 |
| Profit or Loss before extraordinary Items and tax | 6.57 | 9.24 |
| Less: Extraordinary Items | 23.76 | 30.44 |
| Less: Provision for Tax | Nil | Nil |
| Profit or (Loss) after Tax | (17.19) | (21.20) |
| Add: Balance in Profit or Loss account brought forward | (50.27) | (29.07) |
| Balance carried forward to Balance Sheet | (67.46) | (50.27) |

ABRIDGED FINANCIAL STATEMENT

As permitted by SEBI guidelines and Companies Act, 1956, we have included the abridged financial statements of the Company in this annual report. The detailed financial statements and audit reports of the Company and each of its subsidiaries are available for inspection at the registered office of the Company.

OVERVIEW, BUSINESS PROSPECTS AND OPERATIONS

The gross turnover for the year under review was Rs. 33,421,895 as against Rs. 39,921,940 last year. After absorbing depreciation of Rs. 2,588,750, the profit before Tax is Rs. (17,193,167) as compared to Rs. (21,202,084) in the corresponding previous year.

Under the agreement with EPS (UK) Limited a specialist Switchgear Consultancy the Company has completed the design of the following products and the prototype development is in progress

- 12kV Indoor Circuit Breaker Truck incorporating maglatch mechanism with option for spring mechanism mounting suitable for various ratings
- 12kV Outdoor Structure mounted VCB
- 36kV Outdoor Structure mounted VCB

The Company has selected a place of manufacture for the above said products. On successful completion of the development and testing of the products, the Company revenues after the sale of its products are

expected to increase manifold as the avenues for the growth of the power sector are high in view of the continued shortage and infrastructure development plans.

The Company is also working on the design and development of the following products, in consultation with the EPS (UK) Limited.

1. 12kV Auto Recloser with associated electronics
2. 12kV Ring Main Unit
3. New development of technology on CTs
4. Railway Trackside Breakers

We expect to start the production of our circuit breaker range towards the end of this year.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has five subsidiaries namely;

1. Acrastyle EPS Technologies Limited, Chennai (AEPS)
2. Acrastyle Power (India) Limited, Chennai (APIL)
3. S&S Power Switchgear Equipment Limited, Chennai (S&SPSE)
4. Acrastyle Switchgear Limited, United Kingdom (ASL, Subsidiary of APIL)
5. Acrastyle Controls India Private Limited, Chennai (ACIL, Subsidiary of ASL and also APIL)
6. Acrastyle Limited, U. K.

A statement containing brief financial details of the subsidiaries is included in the Consolidated Accounts. As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries is attached in the Consolidated Accounts. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies.

Pursuant to the provision of Section 212(8) of the Act, the Ministry of Corporate Affairs vide its Circular dated February 8, 2011 has granted general exemption from attaching the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies with the Balance Sheet of the Company. A statement of the Company's interest in the subsidiaries and a summary of the financials of the subsidiaries are given along with the consolidated accounts.

S&S POWER SWITCHGEAR EQUIPMENT LIMITED (S&SPSE)

S&SPSE had established a Joint Venture with COELME Costruzioni Elettromeccaniche SpA, Italy for manufacture of Disconnecter products in the name and style of "S&S Power Switchgear Equipment Limited" (S&SPSE). S&SPSE recorded a turnover of Rs. 146,094,647 for the year ended 31.03.2012.

During the month of June, 2012 S&SPSE came out with a rights issue of 2,50,000 equity shares of a face value of Rs.10 per share at premium of Rs.70 per share. Both the Company and COELME, JV partner subscribed and were allotted shares in the ratio of 51:49. The Company was allotted 1,27,500 equity shares.

The performance of the current year is satisfactory and the company expects to make a profit in this financial year. Also the exports of very high quality products and components to COELME have commenced. We have also completed the design of our first joint product and are now embarking on the joint design of the 400kV disconnecter range.

The Company is certified for ISO 9001-2008 by TUV - Novd Quality systems, by means of periodical internal audits and surveillance.

ACRASTYLE POWER (INDIA) LIMITED (APIL)

Acrastyle Power (India) Limited recorded a turnover of Rs. 12,647,772 for the year ended 31st March 2012. The Company has incurred a loss of Rs. 23,839,084 against loss of Rs. 20,952,801 in the previous year.

APIL caters to the needs of various types of Engineering Services with respect to Control, Protection and other controls in power systems segment both in India and Overseas.

The Company has been very much involved in Global Engineering Services in that it is associated with customers in Dubai, Saudi, Qatar, Australia, Germany apart from Acrastyle, UK. The Company has also been extending its services to local Customers like Areva, Suzlon and Siemens etc.

With the increase in the customer base of the Company and increasing acceptance of both the concept of outsourced engineering and the quality of services that the Company provides, we expect the Company to grow and prosper.

APIL is certified for ISO 9001-2008 Quality Systems by TUV-Novd and successfully goes through the surveillance Audit.

ACRASTYLE SWITCHGEAR LIMITED (WOS) / ACRASYL LIMITED

The principal activity of Acrastyle Switchgear Limited during the period was that of an investment Company. Acrastyle Switchgear Limited is a holding Company for Acrastyle Limited (AL).

Acrastyle Limited is engaged in the designing and manufacturing of control and protection equipment for power generation, transmission and distribution systems.

During the period under review the turnover of AL has increased from 7,334,684 Pds to 8,334,415 Pds although the accounting period is 18 months compared to previous 12 months. The Operations of the Company resulted in a loss of 716,280 Pds.

This was a very difficult period for the U.K economy & the Company suffered as a result. We are happy to say

that after strict cost cutting measures implemented the Company has turned around & is now making profits.

ACRASTYLE CONTROLS INDIA PRIVATE LIMITED (ACIL)

Acrastyle Controls India Private Limited recorded a turnover of Rs.63,559,570 for the year ended 31st March 2012 and incurred a loss of Rs. 5,982,633 as against profit of Rs. 2,07,955 in the previous year.

During the period under review, the company's operations for its control cubicles and control and relay panels to the existing customers, especially the OEM customers has been good.

Thrust is on to add, at least two more OEM customers and parallelly explore new avenues for Control Relay Panel business and thus augment the revenues. This will also enable us to minimize dependence on existing customers.

The Company has moved into a larger premise in the current year and expects to do even better this year.

The Company is certified for ISO 9001-2008 Quality systems, by means of periodical internal audits and surveillance.

ACRASTYLE EPS TECHNOLOGIES LIMITED (AEPS)

Acrastyle EPS Technologies Limited was floated as a Joint Venture Company for manufacture of Magnetic Actuators. The factory has been set up at Maraimalai Nagar. This Joint Venture Company has completed the prototype of the maglatch and established a supplier base. The production is expected to commence in the ensuing year.

RESEARCH & DEVELOPMENT

The Company has a strong R&D team to absorb the technology in its products to be developed with EPS (UK) Limited.

FINANCE

The working capital requirements were met from the internal resources and credit facilities from Bank through bills discounting scheme.

DIRECTORS

Mr. Deepak Chowdhary retires by rotation in terms of Article 118 of the Company's Articles of Association and he being eligible offers himself for re-appointment.

INTERNAL CONTROL & AUDIT SYSTEMS AND THEIR ADEQUACY

Your Company remains committed to maintain high standards of internal control designed to provide adequate assurance on the efficiency of operations and security of its assets.

The internal control mechanism comprises of a well-defined organization structure, documented manuals and pre-determined authority levels. In order to ensure that adequate checks and balances are in

place and the internal control systems are in order, periodical audits are conducted by independent agencies.

The Audit Committee of your Company, inter-alia, reviews Quarterly Financial Results, evaluates the effectiveness of Internal Control Systems, including significant changes in accounting policies and the recommendations of the internal audit agencies.

DISQUALIFICATION UNDER SECTION 274 (1) (g) OF THE COMPANIES ACT, 1956:

None of the Directors attract disqualifications in terms of Section 274 (1) (g) of the Companies Act, 1956.

FIXED/CUMULATIVE DEPOSITS

The Company has not accepted any public deposits during the year.

DEPOSITORY SERVICES

As on August 23, 2012, out of total 6,200,000 equity shares of the Company, 46,86,121 equity shares representing 75.58% of total shares have been dematerialized.

CORPORATE GOVERNANCE

Our governance practices along with the Auditor's Certificate on its compliance are attached hereto as an Annexure to this report

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed Management Discussion & Analysis is covered under this Report itself, a separate note on the same is not being furnished.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the companies Act, 1956, with respect to the Directors' Responsibility statement, it is hereby confirmed.

- (i) in the preparation of the annual accounts, for year ended 31.03.2012 the applicable accounting standards have been followed and that there are no material departures from the same.
- (ii) The Directors have 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 as at 31.03.2012, and of the loss of the company for the said period.
- (iii) The Directors have taken proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) The Director have prepared the accounts for the year ended 31.03.2012 on a going concern basis.

AUDITORS' REPORT

With regard to points raised in the auditors' report the same are dealt with hereunder :

| Para Reference: to Auditors' Report | Reply |
|-------------------------------------|--|
| 4(i) | Non fulfillment of export obligation in respect of Advance licenses obtained for supply to Malaysia was due to default in payments for the past supplies which compelled us to stop further supplies. The Company has made an application for a merit based redemption before the appropriate forum. |
| 4(ii) | The auditors of Acrastyle Switchgear Limited, UK (ASL) have qualified on the carrying book value of investments and the adequacy of provisioning for the diminution in value of investments. The Board of ASL has considered a provision in its books, as its Board deemed appropriate. According Acrastyle Power (India) Limited (APIL) the subsidiary of the Company and the holding Company of ASL have provided for their exposure in ASL. The Company on a conservative basis have also provided for its exposure in APIL for diminution in the value of its investments though the Board is of view that the investment is long term in nature. However on a conservative basis the Board has provided for its exposure in its subsidiary. |
| 4 (iii) | The provision made for doubtful deposit of Rs. 6.74 lacs is long term in nature. This monetary deposit will be realisable over a period of time. |
| vii (a) | The shortfall in liability will be provided for in the financial year 2012 - 13. |
| ix (a) & (b) | The Company proposes to settle all pending undisputed statutory dues within the following year. |

HUMAN RESOURCES & INTERNAL CONTROLS

During the period the Company maintained cordial relations with the employees of the Company.

In respect of the erstwhile workmen relating to Porur unit, settled under Section 12(3) of the Industrial Disputes Act, 1947, a section of the workmen preferred a writ petition challenging the settlement and the same was dismissed. Against the dismissal a writ

appeal was filed by the workman, which was disposed with a direction to the State Government of Tamil Nadu to refer the dispute, in case an application was made by the dissenting workmen. The Government of Tamil Nadu, pursuant to an application by the said workmen issued a reference on 27.11.2007. The matter is pending before the Industrial Tribunal.

In the meantime the alleged representatives of the dissenting workmen preferred a suit claiming them to be the authorized representative of the union, which was dismissed and their claim to have locus standi as the representatives of the Union has been negated.

AUDITORS

M/s.GSV Associates, Chartered Accountants, Chennai, retire at the forthcoming Annual General Meeting and are eligible for reappointment. As required under Section 224 of the Companies Act, 1956, the company has obtained from them a confirmation to the effect that their re-appointment, if made, would be in conformity with the limits prescribed in the said section

PARTICULARS OF EMPLOYEES

None of the employees draw remuneration more than the limit prescribed under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

DISCLOSURE WITH RESPECT TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under Section 217 (1)(e) of the Companies Act, 1956 read with rule 2 of the Companies (Disclosure of particulars in the Report of the Board of Directors) rules 1988 are set out in an Annexure to this report

ACKNOWLEDGEMENT

Your Directors thank the Company's employees, customers, vendors, bankers, shareholders, government departments and all others for their cooperation and support to the Company.

**On behalf of the Board of Directors
For S&S Power Switchgear Limited**

**Ashish Jalan
Chairman & Managing Director**

Date: August 23, 2012
Place: Chennai

ANNEXURE TO THE DIRECTORS' REPORT

STATEMENT

Information pursuant of Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken during 2011-2012

The company is not a power intensive industry and hence the scope for conservation of energy is not much.

- b) **Additional Investments and proposals, if any, being implemented for reduction of consumption of energy.**

NIL

- c) **Impact of measures (a) and (b) for reduction of energy consumption and consequent impact on the cost reduction of goods.**

NIL

B. TECHNOLOGY ABSORPTION

a. RESEARCH & DEVELOPMENT

- i. Specific area in which R&D is carried out by the company:

a. Development of 12kV, 1250/2000 A, 25 KA, Indoor, VCB Switchgear with Magnetic Actuator Mechanism

b. Development of 12kV & 36kV, 25 KA, Outdoor, VCB with Magnetic Actuator Mechanism

c. 12kV / 36kV Outdoor Structure Mounted VCB

- ii. Benefits derived as a result of the above R&D

The company will be reentering into the Circuit Breaker segment with the State of Art Technology and thus enabling to exploit the huge market potential in the domestic and international market.

- iii. Future plan of action

a. Development of 12kV Ring Main Unit

b. Development of 12kV Autoreclosure with magnetic actuator mechanism

c. Railway Trackside Breakers

d. New Development of technology on CTs

- iv. Expenditure on R&D Rs. in Millions

a. Capital —

b. Recurring —

c. Others —

d. Total —

e. Percentage of Turnover —

b. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1. **Efforts in brief made towards technology absorption, adaptation and innovation:**

The Company developed the design for 12kV/ 36kV indoor / outdoor switchgear incorporating Magnetic Actuator with technical assistance from a Design Consultant EPS UK.

2. **Benefits derived as a result of the above R&D**

The Company will be soon marketing the above said State of Art Technology products in both domestic and international markets.

3. **Imported technology during last 5 years.**

Nil

c. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- i. Activities relating to Exports

The Company will be re-entering into South East Asia and Asean Countries with the newly developed Vacuum Circuit Breakers with Magnetic Actuator Mechanism

- ii. Foreign exchange earned (Rs. In Million)

Deemed Exports Nil

Physical Exports Nil

- iii. **Foreign Exchange outgo** 0.65

**On behalf of the Board of Directors
For S&S Power Switchgear Limited**

**Ashish Jalan
Chairman & Managing Director**

Date: August 23, 2012

Place: Chennai

REPORT ON CORPORATE GOVERNANCE

COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT WITH STOCK EXCHANGES

In terms of Clause 49 of the Listing Agreement of the Stock Exchanges, the Compliance Report on Corporate Governance, along with the Certificate of Statutory Auditors is given as under:

I. OUR GOVERNANCE PHILOSOPHY

The Board of Directors and management of your Company commit themselves to strive towards enhancement of shareholder value through sound business decisions, prudent financial management and high standard and ethics throughout your Company

II. BOARD OF DIRECTORS

All statutory and other significant and material information are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the Shareholders.

Composition

The present strength of the Board is 4 directors, comprising of 3 independent directors and it meets the requirements of clause 49 of the Listing Agreement

The details of Board of Directors is detailed hereunder

| Name of the Director | Category | No. of Board Meetings | | Attendance at Previous AGM held on 30.09.2011 | No of Directorship in other public companies | No. of Board / Committee positions (as Members / Chairman) held in other public companies | |
|----------------------|--|---|----------|---|--|---|---|
| | | Held | attended | | | | |
| Ashish Jalan | Chairman & Managing Director | 5 | 5 | Present | 6 | - | - |
| Anupam Vaid | Independent Director and Non Executive | 5 | 5 | Present | 1 | 1 | - |
| Deepak Chowdhary | Independent Director and Non Executive | 3 | 3 | Present | 2 | - | - |
| S. Nanda Kumar | Independent Director and Non Executive | 1 (Appointed as on 2 nd February, 2012) | 1 | Appointed after AGM held on 30.09.2011 | 0 | - | - |

During the year ended 31.3.2012, Board Meetings were held on the following dates.

| | | | | |
|------------|------------|------------|------------|------------|
| 03-05-2011 | 09-08-2011 | 29-08-2011 | 14-11-2011 | 02-02-2012 |
|------------|------------|------------|------------|------------|

The necessary quorum was present for all the meetings.

III. Board Committees

The Board has constituted following Committees as required under Corporate Governance

a. AUDIT COMMITTEE

- i. The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.
- ii. The Board's terms of reference of the committee include the following:
 - Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed
 - Recommending the appointment and removal of external auditors, fixation of audit fee and approval of payment of fees for any other services rendered by the auditors
 - Discussion with the external auditor before the audit commences the nature and scope of the audit as well as post audit discussion to ascertain any area of concern
 - Reviewing with the management the financial statements before submission to the Board, focusing primarily on:
 - o Any changes in accounting policies and practices

- o The going concern assumption
- o Major accounting entries based on exercise of judgment by management
- o Significant adjustments, if any, arising out of audit
- o Compliance with Accounting Standards
- o Compliance with Stock Exchange and legal requirements concerning financial statements
- o Related party transactions
- o Qualifications, if any, in draft audit report
- o Report of the Directors & Management Discussion and Analysis;
- o Reviewing with the management and auditors, the adequacy of internal controls systems
- o Reviewing the Company's financial and risk management policies;
- o Considering such other matters as may be required by the Board;
- o Reviewing any other areas which may be specified as role of the Audit Committee under the Listing Agreement, Companies Act and other statutes as amended from time to time.
- iii. The Audit Committee invites such of the executives as it considers appropriate particularly the head of finance department, Senior General Manager (Corporate Affairs), representatives of the Statutory Auditors to be present at its meeting. The Company Secretary acts as the Secretary of the Audit Committee.
- iv. The Audit Committee was reconstituted in the Board Meeting held on February 2, 2012 consisting

of Mr. Anupam Vaid, Mr. Ashish Jalan, Mr. Deepak Chowdhary and Mr. S. Nanda Kumar.

v. The Chairman of the Audit Committee meeting was present at the previous Annual General Meeting held on September 30, 2011

vi. The Composition and details of meetings attended by its members are as

| Sl No | Name of the Member | Title | Meetings Held | Meetings attended |
|-------|--------------------|----------|--|--|
| 1 | Anupam Vaid | Chairman | 5 | 5 |
| 2 | Ashish Jalan | Member | 5 | 5 |
| 3 | Deepak Chowdhary | Member | 5 | 5 |
| 4 | S. Nanda Kumar | Member | Appointed on 2 nd February, 2012 | Appointed on 2 nd February, 2012 |

vii. Five Audit Committee Meetings held during the financial year 2011-12 as on

| | | | | |
|------------|------------|------------|------------|------------|
| 25.04.2011 | 09.08.2011 | 29.08.2011 | 14.11.2011 | 02.02.2012 |
|------------|------------|------------|------------|------------|

The necessary quorum was present for all the meetings.

a. REMUNERATION COMMITTEE

i. The Company has a Remuneration Committee of Directors

ii. The broad terms of reference of the Remuneration Committee are as under:

- To approve the remuneration payable to the Chairman and Managing Director
- Such other matters as the Board may from time to time request the Remuneration Committee to examine, recommend and approve.

iii. Remuneration Committee was reconstituted in the Board Meeting held on February 2, 2012 consisting of Mr. Anupam Vaid, Mr. Deepak Chowdhary and Mr. S. Nanda Kumar.

The Composition and details of meetings attended by its members are as

| Sl No | Name of the Member | Title | Meetings Held | Meetings attended |
|-------|--------------------|----------|---------------|----------------------------|
| 1 | Anupam Vaid | Chairman | 2 | 2 |
| 2 | Deepak Chowdhary | Member | 2 | 2 |
| 3 | S Nanda Kumar | Member | 1 | Appointed on 02.02.2012 |

iv. The Company does not have any Employee Stock Option Scheme.

v. The directors are not paid any sitting fees for attending Board/Committee meetings.

vi. Details of the Remuneration for the year ended March 31, 2012

| Name of Director | Period of appointment | Salary | Perquisite* |
|------------------|-----------------------------|------------------------|---------------------|
| Ashish Jalan | 01.10.2008 to 30.09.2011 | Rs. 1,30,000 per month | Rs.65,000 per month |

The above figures do not include contribution to Provident Fund @12%, provisions for gratuity, earned/ privilege leave as per rules of the company

Services of the Managing Director may be terminated by either party giving the other party three months' notice. There is no severance fees payable to him.

vii. Mr. Ashish Jalan holds 30,915 equity shares of the Company. No other directors hold any shares in the Company.

c. SHAREHOLDERS' / INVESTORS' GRIEVANCES REDRESSAL AND SHARE TRANSFER COMMITTEE

i. The Company has a Shareholders/Investors Grievance Redressal and Share Transfer Committee of Directors to look into the redressal of complaints of investors such as transfer of shares, non-receipt of notices/annual reports, etc.

ii. The composition of the Shareholders / Investors Grievance redressal and Share Transfer Committee and the details of meetings attended by its members are given below:

| Sl No | Name of the Member | Title | Meetings Held | Meetings attended |
|-------|--------------------|----------|---------------|-------------------|
| 1 | Anupam Vaid | Chairman | 10 | 10 |
| 2 | Ashish Jalan | Member | 10 | 10 |
| 3 | Deepak Chowdhary | Member | 10 | 10 |

iii. Name and designation of Compliance Officer

Mrs. Sandhya Chandrasekaran
Company Secretary

iv. Details of investor complaints received and redressed during the year 2011-12 are

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| — | 28 | 28 | — |

IV. GENERAL BODY MEETINGS

i. Location and time of the last three Annual General Meetings

| Year | Date | Time | Venue |
|-----------|------------|----------|---|
| 2010-2011 | 30.09.2011 | 2.30 PM | Naradha Gana Sabha(Mini Hall) 314, TTK Road Chennai – 600 018 |
| 2009-2010 | 30.09.2010 | 3.05 PM | |
| 2007-2009 | 30.09.2009 | 10.45 AM | |

ii. No Extra Ordinary General Meeting was held during the year 2011-12

iii. No postal Ballot was conducted during the year 2011 -12

iv. Special resolutions passed in the previous three Annual General Meetings

| Date of AGM | Whether Special resolution has been passed | Particulars |
|-------------|--|--|
| 30.09.2011 | No | Not Applicable |
| 30.09.2010 | Yes Through Postal Ballot | Granting of Loans over and above the existing limits set out under the provisions of Companies Act, 1956 and issuing guarantees to its subsidiaries, associates and bodies corporate under Section 372 of the Companies Act, 1956. The resolution was passed with requisite majority. |
| 30.09.2009 | Yes | 1. Appointment of Mr Ashish Jalan as Chairman and Managing Director of the Company for a period of three years w.e.f. 1.10.2008 and for payment of remuneration. The resolution was passed with requisite majority. 2. Investments or additional investments in its subsidiaries S&S Power Switchgear Equipment Limited, Acrastyle EPS Technologies Limited and in any Mutual Fund Scheme. The resolution was passed with requisite majority. |

v. As on date, the Company does not have proposal to pass special resolutions through Postal ballot in the ensuing year

V. SUBSIDIARY COMPANIES

The Company has appointed an Independent Director on the Board of S&S Power Switchgear Equipment Limited, a material non listed Indian Subsidiary Company. The Audit Committee reviewed the financial statements of the Subsidiary Companies. The Board meeting minutes of the unlisted Indian Subsidiary Companies are placed before the Board of Directors of the Company.

VI. DISCLOSURES

i. During the financial year 2011-2012, the Company has not entered into any transaction of material nature with the directors, their relatives or management which were in conflict with the interest of the Company at large.

Disclosure of related party transactions as per Accounting Standard 18 issued by the The Institute of Chartered Accountants of India is given in Item No 12 of Schedule 7 of the Notes forming part of Annual Accounts. All the transactions covered under related party transactions were fair, transparent and at arms length.

- ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years – NIL
- iii. There is no whistle blower policy. However no person is denied access to the Audit Committee or the Management.
- iv. The Company has adopted a Code of Conduct for its Directors and Senior Management, which has been posted on the Company's website. The Chairman has given a declaration that all Directors and Senior Management of the Company have affirmed the compliance with the Code of Conduct.
- v. As required under Clause 49 of the Listing Agreement a Certificate signed by the Chairman & Managing Director and Finance-In-Charge is attached.
- vi. Secretarial Audit

A qualified practicing Company Secretary carried out secretarial audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The secretarial audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

VI. Means of communication

- i. The un-audited Financial Results on quarterly basis subject to Limited Review by the Auditors of the Company are taken on record by the Board of Directors at its meeting within 45 days of the close of every quarter/half year respectively and the same are furnished to all Stock Exchanges where the Company's shares are listed.
- ii. Quarterly results are published in "News Today", an English Daily and "Maalai Sudar", a vernacular daily.
- iii. Corporate announcements and press releases are notified to the Stock Exchanges at which the company's shares are listed.
- iv. The financials and other important events are also posted in the Company's website at www.sspower.in

VII. Shareholder Information

A separate Section has been included in the Annual Report furnishing various details, viz., time and venue of Annual General Meeting, share price movements, financial calendar, BSE Index, etc.

**On behalf of the Board of Directors
For S&S Power Switchgear Limited**

**Ashish Jalan
Chairman & Managing Director**

Date: August 23, 2012
Place: Chennai

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and its Non Executive Directors. Both these Codes are available on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2012, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

**On behalf of the Board of Directors
For S&S Power Switchgear Limited**

**Ashish Jalan
Chairman & Managing Director**

Date: August 23, 2012
Place: Chennai

CERTIFICATE UNDER SUB CLAUSE V OF CLAUSE 49 OF THE LISTING AGREEMENT

We, Ashish Jalan, Chairman and Managing Director and Mr. K Suryanarayana Rao, Chief Executive of the Company hereby confirm and certify that -

- a. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

- d. We have indicated to the auditors and the Audit committee
- i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

K Suryanarayana Rao
Chief Executive

Ashish Jalan
Chairman & Managing Director

Date: August 23, 2012
Place: Chennai

AUDITOR'S CERTIFICATE

To

The Members of S&S Power Switchgear Limited

We have examined the compliance of conditions of Corporate Governance by S&S Power Switchgear Limited for the period ended 31.03.2012, as stipulated in Clause 49 of the Listing Agreement executed by the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in

accordance with guidance notes on certificate of Corporate Governance (as stipulated in Clause 49 of Listing Agreement) issued by the Chartered Accountants of India. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance (s) is / are pending for a period exceeding one month against the Company as per records maintained by the Shareholders' Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For GSV Associates
Chartered Accountants
Firm No. 006179S

M R Venkatesh
Partner
M. No. 201407

Date : August 23, 2012
Place : Chennai

GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting:

| | |
|-------|---|
| Day | Friday |
| Date | 28 th September, 2012 |
| Time | 3 p.m. |
| Venue | Bharatiya Vidya Bhavan, Mini Hall, New No. 18, 20, 22 (Old No. 37 - 39), East Mada Street, Mylapore, Chennai - 600 004 |
2. Date of Book Closure
26th September 2012 to
28th September 2012 (both Days inclusive)
3. Financial calendar :

| | |
|---|---|
| Year ending | 31 st March |
| Financial Reporting for the Quarter Ended | June 30, 2012, on or before Aug 15, 2012 Sep 30, 2012, on or before Nov 15, 2012 Dec 31, 2012, on or before Feb 15, 2013 Mar 31, 2013, on or before May 15, 2013 |

- AGM for year ended 31.03.2012 on or before September 30, 2012
- 4 Registrar and Transfer Agents M/s GNSA Infotech Limited
Nelson Chambers, 4th Floor, F Block,
No. 115 Nelson Manickam Road,
Aminjikarai, Chennai – 600 029
Tel No.044-42962042
Email : sta@gnsaindia.com
- z Share Capital Details
- Authorised share capital**
- 10,00,00,000 consisting of 1,00,00,000 equity shares of Rs.10/ each; and
 - 10,00,00,000 consisting of 10,00,000 Redeemable Preference Shares of Rs.100/- each
- Paid-Up share capital**
- Rs.6,20,00,000 consisting of 62,00,000 equity shares of Rs.10/- each
6. Listing of Company's Shares
- Bombay Stock Exchange Limited**
Phiroze Jeejeebhoy Towers
Dalai Street, Mumbai-400 001
- National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Plot No.C/1, G Block Bandra-Kurla Complex
Bandra (E), Mumbai-400 051
- The Madras Stock Exchange Limited**
PB. No. 183, No. 11, Second Line Beach
Chennai-600 001
- Listing Fees has been paid to all the stock exchanges as on March 31, 2012. However, the Company has not paid the Listing Fees for the period from April 1, 2012 to the date of this report.
- 7 Plant / works location Shed No. 29/3-4 MM Nagar Industrial Estate,
Maraimalai Nagar,
Kancheepuram 603 209
- 8 Address of Regd. Office II Floor, No.19, (Old No.67), Dr.Ranga Road,
Mylapore, Chennai - 600004
9. Compliance Officer Mrs. Sandhya Chandrasekaran
Company Secretary
S&S Power Switchgear Limited
New No 67 (Old No 19)
11 Floor, Dr Ranga Road,
Mylapore, Chennai-600 018
10. **Share Price Movements**
- | | |
|--------------------------------------|--|
| National Stock Exchange of India Ltd | Trading has been suspended with effect from 27.06.2002 |
| Bombay Stock Exchange Ltd | Trading has been suspended with effect from 17.02.2003 |
| Madras Stock Exchange Ltd | No transaction has taken place |

11. DEMATERIALISATION OF EQUITY SHARES

The Equity Shares of the Company have been admitted for dematerialization by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the International Securities Identification Number (ISIN)-INE 902801017

As on March 31, 2012 out of total 6,200,000 Equity Shares of the Company 46,86,121 Equity Shares representing 75.58 % of total shares have been dematerialized.

12. SHARE TRANSFER SYSTEM

All requests for transfer of shares are processed by the Registrars and Share Transfer Agents and are approved by the Share Transfer Committee. All communications should be forwarded to the Registered Office of the Company marked to the attention of the Company Secretary.

13. DISTRIBUTION OF SHAREHOLDING

| No. of Equity Shares held | Year ended 31/03/2012 (2011-2012) | | | | Year ended 31/03/2011 (2010-2011) | | | |
|---------------------------|-----------------------------------|--------------------|-------------------|--------------------|-----------------------------------|--------------------|--------------------|--------------------|
| | No. of Share Holders | % of Share Holders | No. of Share Held | % of Share Holding | No. of Share Holders | % of Share Holders | No. of Shares Held | % of Share-Holding |
| 1 - 100 | 16823 | 79.13 | 936825 | 15.11 | 16828 | 79.14 | 937071 | 15.11 |
| 101-200 | 2073 | 9.75 | 348525 | 5.64 | 2077 | 9.77 | 350211 | 5.65 |
| 201-500 | 1584 | 7.45 | 556412 | 8.97 | 1579 | 7.43 | 444800 | 7.17 |
| 501-1000 | 475 | 2.24 | 371739 | 6.01 | 476 | 2.24 | 372520 | 6.01 |
| 1001-5000 | 259 | 1.21 | 521950 | 8.42 | 258 | 1.21 | 521849 | 8.42 |
| 5001-10000 | 25 | 0.18 | 172286 | 2.78 | 25 | 0.12 | 172286 | 2.78 |
| 10001 and above | 21 | 0.10 | 3291263 | 53.08 | 21 | 0.10 | 3291263 | 53.08 |
| Total | 21260 | 100.00 | 6200000 | 100.00 | 21264 | 100.00 | 6200000 | 100.00 |

Categories of Shareholding

| No. of Equity Shares held | Year ended 31/03/2012 (2011-2012) | | | | Year ended 31/03/2011 (2010-2011) | | | |
|---------------------------|-----------------------------------|--------------------|--------------------|--------------------|-----------------------------------|--------------------|--------------------|--------------------|
| | No. of Share Holders | % of Share Holders | No. of Shares Held | % of Share Holding | No. of Share Holders | % of Share Holders | No. of Shares Held | % of Share Holding |
| Promoters | 18 | 0.08 | 3058606 | 49.33 | 16 | 0.08 | 3041956 | 49.06 |
| Mutual Funds | 7 | 0.03 | 25980 | 0.42 | 7 | 0.03 | 25980 | 0.42 |
| UTI | 1 | 0.00 | 108 | 0.00 | 1 | 0.00 | 108 | 0.00 |
| Banks | 2 | 0.01 | 200 | 0.00 | 2 | 0.01 | 200 | 0.00 |
| Financial Institutions | 4 | 0.02 | 75726 | 1.22 | 4 | 0.02 | 75726 | 1.22 |
| FIS | 3 | 0.01 | 3900 | 0.06 | 3 | 0.01 | 3900 | 0.06 |
| Corporate | 181 | 0.85 | 110550 | 1.78 | 176 | 0.83 | 110103 | 1.78 |
| Individuals | 21023 | 98.89 | 2912781 | 46.98 | 21033 | 98.91 | 2929128 | 47.24 |
| NRIs/OCBs | 21 | 0.10 | 12149 | 0.20 | 22 | 0.10 | 12899 | 0.21 |
| Total | 21260 | 100.00 | 6200000 | 100.00 | 21264 | 100.00 | 6200000 | 100.00 |

Shareholder Services (As at the Year end)

| NATURE OF COMPLAINTS | 01.04.2011 TO 31.03.2012 | |
|---|--------------------------|-----------------------|
| | NO OF LETTERS RECEIVED | NO OF LETTERS REPLIED |
| DEMAT CREDIT PENDING | - | - |
| DEMAT OF SHARES | 2 | 2 |
| NON RECEIPT OF SHARE CERTIFICATE AFTER TRANSFER | 1 | 1 |
| NON RECEIPT OF DIVIDEND WARRANT | - | - |
| CHANGE OF ADDRESS | 21 | 21 |
| LOSS OF SHARE CERTIFICATE(S)/STOP TRANSFER | 1 | 1 |
| MANDATE INSTRUCTIONS | - | - |
| NON RECEIPT OF ANNUAL REPORTS | - | - |
| TRANSMISSION OF SHARES | 5 | 5 |
| MARKET PRICE | - | - |
| MUTILATED SHARE CERTIFICATE(S) | - | - |
| VERIFICATION OF SIGNATURE | - | - |

On behalf of the Board of Directors
For S&S Power Switchgear Limited

Date: August 23, 2012
Place: Chennai

Ashish Jolon
Chairman & Managing Director

AUDITORS' REPORT ON THE ABRIDGED FINANCIAL STATEMENTS

To the Members of S&S Power Switchgear Limited,

We have examined the attached abridged Balanced Sheet of S&S Power Switchgear Limited as at March 31, 2012 and the related abridged Profit and Loss Account for the period ended on that date annexed thereto and the Cash Flow statement for the year ended on that date, together with the notes thereon. These abridged financial statements have been prepared by the Company pursuant to Rule 7A of the Companies (Central Government's) General Rules and Forms, 1956 and are based on the financial statements of the Company for the year ended March 31, 2012 prepared in accordance with Schedule VI of Companies Act, 1956 and is covered by our report of even date to the members of the Company which report is attached herewith.

For GSV Associates
Chartered Accountants
Firm No. 006179S

M R Venkatesh
Partner
M. No. 201407

Date : August 23, 2012
Place : Chennai

AUDITOR'S REPORT ON FINANCIAL STATEMENTS

To the Members of S&S Power Switchgear Limited,
Chennai

1. We have audited the attached Balance sheet of S&S Power Switchgear Limited, as at 31st March 2012, the Profit and Loss Account and Cash Flow Statement for year ended on that date annexed thereto, which we have signed under reference to this report. 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.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance that 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 the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003, as amended by the companies (Auditor's Report)(Amendment)Order,2004, issued by the Central Government of India in terms of Section 227(4A) of The Companies Act, 1956 and on the basis of such checks as considered appropriate, and according to the information

and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the Company.

4. Further to our Comments in the Annexure referred to in paragraph 3 above, we report that,
 - i. **The company has not fulfilled its export obligations as disclosed in Note 36 & 40 of financial statements, in respect of two advance licenses availed in earlier years. Consequently, we are unable to express any opinion on the possible additional levy against the company.**
 - ii. **The company has provided a sum of Rs.236.10 lakhs as disclosed in Note 39 of financial statements, during the year on the exposure in its subsidiary Acrastyle Power (India) Limited in the form of investments aggregating to Rs.1716.54 lakhs and loans and interest receivable aggregating to Rs.605.67 lakhs. We are unable to express an opinion on the adequacy of the provision recognizing the diminution in the value of investments and doubtfulness of the recovery of the loans.**
 - iii. **The company has made provision for doubtful deposits Rs.6.74 Lakhs against certain long term loans and advances aggregating to Rs. 29.03 Lakhs. We are unable comment on the adequacy of the provision made and consequential impact of financial results for the year and net asset position.**
 - iv. **Subject to Note 38 to financial statements, we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.**
 - v. In our opinion, the company has kept proper books of accounts as required by law so far, as it appears from our examination of those books
 - vi. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the Books of Accounts.
 - vii. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable, except the following:
 - a) **Short provisioning of Rs.2.33 Lakhs between the actuarial gratuity liability and liability recognized in the books.**
 - viii. On the basis of written representations received from the directors, and taken on record by the Board of Directors, we report that none of the director of the company is disqualified as at 31st March 2012 from being appointed as director in terms of section 274 (1) (g) of the Act.
 - ix. **Subject to our observation above** in our opinion and to the best of our information and according to the explanations given to us, the

said accounts, 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:

- a) In the case of the Balance Sheet, the State of Affairs of the Company as at 31st March 2012.
- b) In the case of the Profit and Loss Account, the **LOSS** of the company for the year ended on that date.
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 3 of the auditor's report of even date to the members of S&S Power switchgear Limited on the Financial Statements for the period ended 31st March 2012.

- i. (a) The Company has maintained proper records in soft – form to show full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the period wherever possible as represented by the management and there have been no material discrepancies and to comment on the material discrepancies between the book records and the physical inventory of fixed assets does not arise
- (c) During the period, substantial part of fixed assets have not been disposed off by the Company.
- ii. (a) In our opinion based on the information available and explanation given to us by the management, physical verification of inventory has been conducted at reasonable interval by the management.
- (b) Based on above 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.
- (c) The Company is maintaining proper records of inventory and there no material discrepancies noticed in physical verification.
- iii. The Company has not granted loans to a party covered in the register maintained under section 301 of the Act.
The company has not taken loan from companies covered in the register maintained under Section 301 of the Companies Act, 1956 during the reporting year. But the Company has repaid the outstanding loan taken during the previous financial years aggregating to Rs.40 lakhs. In our opinion the rate of interest and other terms and conditions underlying the loan are not prima facie prejudicial to the interests of the company.
- iv. In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business, with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the company.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. During the period the Company has not accepted any deposits from public, hence the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any relevant provisions of the Act and the rules framed there under, are not applicable to this Company.
- vii. **The company does not have an internal audit system.**
- viii. According to the information provided to us, the Central Government has not prescribed the maintenance of Cost records u/s 209(1) (d) of the Companies Act for the reporting period.
- ix. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty and other material statutory dues applicable to it, **subject to note 29** of the financial statements.
- (b) The Company has disputed the claim on account of statutory enactments at the various forums as set out in **Note-27** to the financial statements
- x. In our opinion, the accumulated losses of the company are not more than fifty per cent of its net worth. Further, the company has not incurred cash losses during the financial year covered by our audit and also no cash loss incurred in the immediately preceding financial period.
- xi. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debentures holders.

- xii. During the period, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- xv. During the period under review, the company has not issued any fresh guarantee for loans taken by others from banks and financial Institutions.
- xvi. No fresh term loans have been obtained during the reporting period.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- xviii. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix. According to the information and explanations given to us during the period covered by our audit report, the company has not issued debentures.
- xx. The company has not raised any money by way of Public Issue during the period. Therefore, commenting on the end use of such funds does not arise.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For GSV Associates
Chartered Accountants
Firm No. 006179S**

Date : August 23, 2012
Place : Chennai

**M R Venkatesh
Partner
M. No. 201407**

ABRIDGED BALANCE SHEET AS AT MARCH 31, 2012

(Statement containing salient features of Balance Sheet as per Section 219(1)(b)(iv) of the Companies Act, 1956)

| Particulars | (Rupees in thousands) | |
|--|-------------------------|-------------------------|
| | As at March 31, 2012 | As at March 31, 2011 |
| I EQUITY AND LIABILITIES | | |
| 1 Share Holders's Funds | | |
| (a) Paid up share capital | | |
| (i) Equity | 62,000 | 62,000 |
| (ii) Preference | - | - |
| (b) Reserves and Surplus | | |
| (i) Capital reserves (including Revaluation Reserve, if any) | 231,812 | 231,812 |
| (ii) Revenue Reserves | - | - |
| (iii) Surplus | (67,467) | (50,274) |
| 2 Non-Current Liabilities | | |
| (a) Long Term Borrowings | | |
| (b) Deferred tax liabilities (Net) | | |
| (c) Other Long-term liabilities | 6,300 | |
| (d) Long term provisions | 24,309 | 23,741 |
| 3 Current Liabilities | | |
| (a) Short-term borrowings | 5,000 | 10,800 |
| (b) Trade Payables | 12,450 | 12,189 |
| (c) Other Current Liabilities | 29,961 | 27,286 |
| (d) Short-term provisions | 1,881 | 10,841 |
| Total of (1) to (3) | 306,245 | 328,395 |
| II ASSETS | | |
| 4 Non Current Assets | | |
| (a) Fixed Assets | | |
| (i) Tangible assets (original Cost Less Depreciation) | 37,303 | 39,891 |
| (b) Non current Investments | 186,534 | 193,600 |
| (c) Deferred tax assets | - | - |
| (d) Long term loans and advances | 5,517 | 4,981 |
| (e) Other Non-Current Assets | - | - |
| 5. Current assets | | |
| (a) Current investments | - | - |
| (b) Inventories | 3,086 | 5,479 |
| (c) Trade Receivables | 7,394 | 12,001 |
| (d) Cash and Cash equivalents | 1,841 | 2,506 |
| (e) Short-term loans and advances | 48,732 | 53,188 |
| (f) Other current Assets | 15,838 | 16,749 |
| Total of (4) to (5) | 306,245 | 328,395 |

Refer Notes forming part of the Abridged Financial Statements

Compiled from the Audited Financial Statements of the company referred to in our report dated August 23, 2012.

As per our report attached

for **GSV ASSOCIATES**

Chartered Accountants

M.R.Venkatash
Partner
M.No.201407
Firm No. 006179S

C. Sandhya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

For and on behalf of the Board
S&S Power Switchgear Limited

Date: August 23, 2012

Place: Chennai

ABRIDGED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012

(Statement containing salient features of Profit and Loss Account as per Section 219(1)(b)(iv) of the Companies Act, 1956)

(Rupees in thousand's)

| Particulars | As at March 31, 2012 | As at March 31, 2011 |
|---|-------------------------|-------------------------|
| I Income | | |
| Revenue from Operations (details given as per annexure) | 15,811 | 18,000 |
| Less: Excise Duty | - | - |
| Net Revenue from Operations | 15,811 | 18,000 |
| II Other Income | 17,611 | 21,861 |
| III Total income (I + II) | 33,422 | 39,861 |
| IV Expenditure | | |
| (a) Cost of materials consumed | - | - |
| (b) Purchase of Stock-in-trade | - | - |
| (c) Changes in inventories of finished goods, work-in-progress and stock in trade | 2,393 | |
| (d) Employee benefit expenses | 15,746 | 17,775 |
| (e) Finance costs | 412 | 767 |
| (f) Depreciation and amortization expense | 2,589 | 2,406 |
| (g) Other expenses | 5,715 | 9,678 |
| Total Expenditure (a to g) | 26,855 | 30,626 |
| V Profit before exceptional and extraordinary items and tax (III- IV) | 6,567 | 9,235 |
| VI Exceptional items | - | - |
| VII Profit before extraordinary items and tax (V+VI) | 6,567 | 9,235 |
| VIII Extraordinary Items | 23,760 | 30,437 |
| IX Profit/(loss) before tax (VII+ VIII) | (17,193) | (21,202) |
| X a) Tax Expense | - | - |
| b) Deferred tax | - | - |
| XI Profit/(loss) after tax for the year from continuing operations (IX-X) | (17,193) | (21,202) |
| XII Profit/(loss) after tax from discontinued operations | | |
| XIII Tax expenses of discontinued operations | | |
| XIV Profit/(loss) from discontinued operations (after tax) (XII-XIII) | - | - |
| XV Profit/(loss) for the year (XI+XIV) | (17,193) | (21,202) |
| XVI Earning Per equity share | | |
| (a) Basic | (2.77) | (3.42) |
| (b) Diluted | (2.77) | (3.42) |

Refer Notes forming part of the Abridged Financial Statements

Compiled from the Audited Financial Statements of the company referred to in our report dated August 23, 2012.

As per our report attached

for **GSV ASSOCIATES**

Chartered Accountants

M.R.Venkatesh
Partner
M.No.201407
Firm No. 006179S

Date: August 23, 2012

Place: Chennai

For and on behalf of the Board
S&S Power Switchgear Limited

C. Sandhya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

ANNEXURE

Details of Revenue from operations

(Rupees in 000's)

| Particulars | Figures for the Current financial reporting period 31/03/2012 | Figures for the previous financial reporting period 31/03/2011 |
|------------------------------------|---|--|
| (a) Sale of Products manufactured | 2,611 | - |
| (b) Sale of goods traded | - | - |
| (c) Revenue from services provided | 13,200 | 18,000 |
| (d) Other Operational Revenue | - | - |

Notes forming part of financial statements for the year ended 31st March 2012

Note -1 : SIGNIFICANT ACCOUNTING POLICIES

The Profit and Loss Account and Balance Sheet are prepared under the historical cost convention and on accrual basis of accounting:

The significant accounting policies followed by the company are:

a. Sales and services

Sales (including Exports) are recognised when products are dispatched, and are recorded at invoice value inclusive of Sales Tax, but exclusive of Excise Duty.

Revenue, in respect of services is accounted for on the basis of services rendered (net of taxes) and billed to clients as per the terms of the specific contract with clients.

b. Fixed Assets

The Fixed Assets have been stated at their Acquisition cost, which comprises of freight, installation cost, duties, taxes and other directly attributable cost of bringing the assets to its working condition for the intended use. Depreciation in respect of buildings, machinery (other than those given on lease) tooling and fixtures and electrical installations is provided for on straight line method and on other assets on written down value method at the rates and in the manner specified in Revised Schedule XIV of the Companies Act, 1956. For the assets acquired during the period, depreciation has been charged on a pro-rata basis. Individual assets costing Rs.5000 or less are depreciated in full in the year of acquisition.

The assets as at the Balance Sheet date are assessed to ascertain if there be any impairment to the fixed assets and the Profit & Loss Account is debited / credited for any impairment / excess provision for impairment created.

c. Investments

Investments are bifurcated into Noncurrent and current Investments and Noncurrent Investments are valued at cost and restated only when there is a permanent diminution in the value of investments. Decline in value other than permanent in nature are not recognized. current Investments are stated at cost or market value, whichever is less.

d. Inventories

Inventory is valued at lower of cost or estimated net realizable value. Cost is determined on monthly Weighted Average basis and includes an appropriate portion of related overheads as per Accounting Standard 2 issued by the Institute of Chartered Accountants of India.

e. Foreign Currency Translations

Income and Expenditure items involving foreign exchange are recorded at exchange rate prevailing on the date of transactions.

All monetary items denominated in foreign currency are restated at the rates prevailing on the Balance sheet date. Exchange differences if any arising out of settlement / restatement of foreign currency balances, are duly reflected in the Profit and Loss Account in the period in which they arise.

This is in accordance with AS 11 – Accounting for the effect of changes in Foreign exchange Rate issued by the ICAI.

f. Retirement Benefits and change in Accounting Estimates:

The company has classified various Employee benefits as 'Defined Contribution Schemes' and 'Defined Benefit Schemes'. Defined Contribution Scheme is the contribution to the Provident Fund and the company provided for Gratuity & Earned Leave Encashment under the Defined Benefit Scheme.

The Provident Fund and the State Defined Contribution Plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme. The company charges the

contribution payable to the profit and loss account for the period to which the financial statement relates to.

For Defined Benefit Scheme of gratuity the retirement benefit is funded through a scheme administered by LIC of India, the insurer. The contribution payable to the fund is charged to the profit and loss account. Also, the company charges any shortfall between the liabilities as computed by an actuarial valuer as at the balance sheet date and fund available with the insurer as on the Balance Sheet date. The excess contributions, if any is treated as pre paid.

For leave encashment, as a defined benefit scheme, the company charges to profit and loss account liability as computed under the actuarial valuation. The liability is restated as on the Balance sheet date as per the actuarial valuation.

g. **Duty paid Imports**

Where duty paid imports are used for manufacture of Export / Deemed Export goods, pending receipt of duty free imports to which the Company is entitled to, the element of duty paid is carried forward as an advance in the balance Sheet, to be charged to expenditure when the duty free imports are actually utilized.

h. **R&D and Deferred Revenue Expenditure**

Subsequent to the introduction of AS 26 on intangible Assets, the company does not defer expenses incurred on creating intangible assets such expenditures beyond the year in which they are incurred, except those relating to testing charges paid to testing laboratories which are amortised over a period of five years.

Note 2.1 - Share Capital

| Share Capital | As at 31 March 2012 | | As at 31 March 2011 | |
|-----------------------------------|---------------------|-------------------|---------------------|-------------------|
| | Number | Rs. | Number | Rs. |
| Authorised | | | | |
| Equity Shares of Rs 10 each | 10,000,000 | 100,000,000 | 10,000,000 | 100,000,000 |
| Preferences Shares of Rs 100 each | 1,000,000 | 100,000,000 | 1,000,000 | 100,000,000 |
| Issued | | | | |
| Equity Shares of Rs 10 each | 6,200,108 | 62,001,080 | 6,200,108 | 62,001,080 |
| Subscribed & Paid up | | | | |
| Equity Shares of Rs.10 each | 6,200,000 | 62,000,000 | 6,200,000 | 62,000,000 |
| Total | 6,200,000 | 62,000,000 | 6,200,000 | 62,000,000 |

Rights, Preferences and Restrictions : The Company has only one class of equity shares having a par value Rs.10 per share. Each share holder is eligible for one vote per share held. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the Company, in proportion to their shareholding.

2.2 Movement of Share Capital

| Particulars | 31.03.2012 | | 31.03.2011 | |
|---|------------|------------|------------|------------|
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning of the year | 6,200,000 | 62,000,000 | 6,200,000 | 62,000,000 |
| Shares Issued during the year | - | - | - | - |
| Shares bought back during the year | - | - | - | - |
| Shares outstanding at the end of the year | 6,200,000 | 62,000,000 | 6,200,000 | 62,000,000 |

2.3 List of shareholders with more than 5% of Share holding

| Name of Shareholder | As at 31 March 2012 | | As at 31 March 2011 | |
|------------------------------|---------------------|--------------|---------------------|--------------|
| | No. of Shares held | % of holding | No. of Shares held | % of holding |
| Hamilton and Company Limited | 1,884,113 | 30.39% | 1,884,113 | 30.39% |
| Morvi Industries Limited | 320,917 | 5.18% | 320,917 | 5.18% |

2.4 Share allotment movement

| Particulars | Year (Aggregate No. of Shares) | | | | |
|--|--------------------------------|---------|---------|---------|---------|
| | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
| Equity Shares : | | | | | |
| Fully paid up pursuant to contract(s) without payment being received in cash | - | - | - | - | - |
| Fully paid up by way of bonus shares | - | - | - | - | - |
| Shares bought back | - | - | - | - | - |

Note 3 : Reserves and Surplus

Rs.

| Particulars | As at | As at |
|--|---------------------|---------------------|
| | 31 March 2012 | 31 March 2011 |
| I. Reserves | | |
| Securities Premium Account | | |
| Opening Balance | 184,000,000 | 184,000,000 |
| Add : Securities premium credited on Share issue | - | - |
| Closing Balance | 184,000,000 | 184,000,000 |
| General Reserves | | |
| Opening Balance | 47,811,693 | 47,811,693 |
| (+) Current Year Transfer | - | - |
| (-) Written Back in Current Year | - | - |
| Closing Balance | 47,811,693 | 47,811,693 |
| II. Surplus | | |
| Opening balance | (50,274,084) | (29,072,000) |
| (+) Net Profit/(Net Loss) For the current year | (17,193,167) | (21,202,084) |
| Closing Balance | (67,467,251) | (50,274,084) |
| Total | 164,344,442 | 181,537,609 |

Note 4 : Other Long Term Liabilities

| Particulars | As at | As at |
|----------------------|------------------|------------------|
| | 31 March 2012 | 31 March 2011 |
| (a) Others: | | |
| Lease Rental Deposit | 6,300,000 | 6,300,000 |
| Total | 6,300,000 | 6,300,000 |

Note 5 : Long Term Provisions

| Particulars | As at | As at |
|--|-------------------|-------------------|
| | 31 March 2012 | 31 March 2011 |
| (a) Provision for employee benefits | | |
| (i) Leave Encashment | 567,412 | 566,809 |
| (b) Others | | |
| (i) Provision for expenses | 23,741,439 | 23,741,439 |
| Total | 24,308,851 | 24,308,248 |

Note 6: Short Term Borrowings

Rs.

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---|------------------------|------------------------|
| Unsecured | | |
| (a) Loans repayable on demand (of the above, Rs.Nil is guaranteed by Directors and / or others) | 5,000,000 | 4,000,000 |
| Total | 5,000,000 | 4,000,000 |

Note 7: Other Current Liabilities

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|--|------------------------|------------------------|
| (i) Professional tax payable | 22,585 | 25,535 |
| (ii) PF & ESI Payable | 132,185 | 127,824 |
| (iii) Workmen compensation payable | 15,026,905 | 15,026,905 |
| (iv) Interest Accrued and due on borrowings | 18,493 | 233,359 |
| (v) LTA Payable | 214,661 | 245,437 |
| (vi) Advance from customers | 1,805,091 | 4,415,752 |
| (vii) Sales tax payable | - | 2,131,918 |
| (viii) Salary, Wages & Reimbursement Payable | 3,155,217 | 3,061,060 |
| (ix) Gratuity | 5,419,232 | 5,207,623 |
| (x) Other Payables | 4,166,715 | 5,688,226 |
| Total | 29,961,084 | 36,163,639 |

Note 8 : Short Term Provisions

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|--|------------------------|------------------------|
| (a) Provision for employee benefits | | |
| (i) Leave Encashment | 566,837 | 566,837 |
| (b) Others | | |
| (i) Provision for taxation | 1,313,938 | 1,313,938 |
| Total | 1,880,775 | 1,880,775 |

Note 10: Non current Investments

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---|------------------------|------------------------|
| (a) Others | | |
| (i) Investment in Equity instruments | | |
| S&S Power Switchgear Equipment Ltd | 48,311,000 | 38,611,000 |
| Acrastyle Power India Ltd | 172,154,100 | 171,654,200 |
| Acrastyle EPS Technology Ltd | 500,000 | 500,000 |
| (ii) I Power | 100 | 100 |
| Less : Provision for diminution in the value of Investments | 34,430,820 | 17,165,420 |
| Total | 186,534,380 | 193,599,880 |

Note 9 Fixed Assets

| Fixed Assets | Gross Block | | | | | Accumulated Depreciation | | | | | Net Block | |
|------------------------|----------------------------|------------------------|--|-----------------------------|-----------------------------|----------------------------|----------------------------------|--------------------------------|--------------|-----------------------------|----------------------------|-----------------------------|
| | Balance as at 1 April 2011 | Additions/ (Disposals) | Acquired through business combinations | Revaluations/ (Impairments) | Balance as at 31 March 2012 | Balance as at 1 April 2011 | Depreciation charge for the year | Adjustment due to revaluations | On Disposals | Balance as at 31 March 2012 | Balance as at 1 April 2011 | Balance as at 31 March 2012 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Tangible Assets | | | | | | | | | | | | |
| Land | 14,997,650 | - | - | - | 14,997,650 | - | - | - | - | - | 14,997,650 | 14,997,650 |
| Building | 38,101,076 | - | - | - | 38,101,076 | 17,179,451 | 1,272,322 | - | - | 18,451,773 | 20,921,625 | 19,649,303 |
| Electric Installation | 3,351,559 | - | - | - | 3,351,559 | 3,128,818 | 135,490 | - | - | 3,264,308 | 222,741 | 87,251 |
| Toolings & Fixtures | 103,545 | - | - | - | 103,545 | 58,395 | 4,540 | - | - | 62,935 | 45,150 | 40,610 |
| Furniture and Fixtures | 8,722,745 | - | - | - | 8,722,745 | 7,735,776 | 283,330 | - | - | 8,019,106 | 986,969 | 703,639 |
| Office equipment | 3,873,655 | - | - | - | 3,873,655 | 3,263,030 | 84,951 | - | - | 3,347,981 | 610,624 | 525,673 |
| Vehicles | 66,193 | - | - | - | 66,193 | 66,193 | - | - | - | 66,193 | 1 | 1 |
| Plant and Equipment | 47,356,943 | - | - | - | 47,356,943 | 45,250,347 | 808,117 | - | - | 46,058,464 | 2,106,596 | 1,298,479 |
| Grand Total | 116,573,365 | - | - | - | 116,573,365 | 76,682,010 | 2,588,750 | - | - | 79,270,760 | 39,891,355 | 37,302,605 |
| Previous Year Figures | 116,350,452 | 222,914 | - | - | 116,573,365 | 74,275,980 | 2,406,029 | - | - | 76,682,010 | 42,074,471 | 39,891,355 |

Note 10: Non current Investments

Rs.

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|--|------------------------|------------------------|
| Aggregate amount of unquoted investments | 186,534,380 | 193,599,880 |

Note 11: Long-term loans and advances

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---|------------------------|------------------------|
| a. Security Deposits <i>(Unsecured, considered good)</i> | | |
| - Rent Deposit | 2,655,493 | 2,144,393 |
| - Security Deposit-Customers | 793,814 | 768,794 |
| - Security Deposit-MES new installation | 20,415 | 20,415 |
| - Security Deposit-Others | 38,900 | 38,900 |
| - Security Deposit-Sale tax | 10,000 | 10,000 |
| - Earnest Money Deposit | 1,891,630 | 1,891,630 |
| - Telephone Deposit | 217,342 | 217,342 |
| - Telex Deposit | 21,900 | 21,900 |
| Less: Provision for doubtful deposits | 674,154 | 674,154 |
| b. Others | | |
| - Managing director salary suspense a/c | 541,665 | 541,665 |
| TOTAL | 5,517,005 | 4,980,885 |

Note 12: Inventories

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---------------------------------|------------------------|------------------------|
| a. Raw Materials and components | 1,691,595 | 1,691,595 |
| b. Work-in-progress | 1,394,125 | 3,787,375 |
| Total | 3,085,720 | 5,478,970 |

Note 13: Trade Receivables

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---|------------------------|------------------------|
| a. Trade receivables outstanding for a period less than six months | | |
| Unsecured, considered good | 7,389,347 | 11,996,269 |
| Less: Provision for doubtful debts | - | - |
| | 7,389,347 | 11,996,269 |
| b. Trade receivables outstanding for a period exceeding six months. | | |
| Unsecured, considered good | 4,795 | 4,795 |
| Unsecured, considered doubtful | 82,887,319 | 85,407,069 |
| Less: Provision for doubtful debts | 82,887,319 | 85,407,069 |
| | 4,795 | 4,795 |
| Total | 7,394,142 | 12,001,064 |

Note 14: Cash and Cash Equivalents

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|--|------------------------|------------------------|
| a. Balances with banks | | |
| Current Account | (148,955) | 47,547 |
| b. Bank deposits with more than 12 months maturity | | |
| Fixed Deposits with Banks | 1,057,048 | 1,644,312 |
| c. Cash on hand | 933,282 | 798,980 |
| | 1,841,375 | 2,490,839 |

Note 15: Short term loans and Advances

| Particulars | Rs. | |
|--|------------------------|------------------------|
| | As at 31 March 2012 | As at 31 March 2011 |
| Unsecured, considered good | | |
| a. Loans and advances to related parties | 42,974,275 | 42,974,275 |
| b. Advance for expenses | 763,948 | 85,310 |
| c. Advance to Suppliers | 391,256 | 60,723 |
| d. Loans and advances to employees | 8,379,477 | 8,212,477 |
| e. Advance tax | 3,194,951 | 7,048,934 |
| f. Sale tax | 23,126 | 23,126 |
| g. Others | 28,844,565 | 28,279,734 |
| Less: Provision for doubtful Loan | 35,839,441 | 33,497,086 |
| TOTAL | 48,732,158 | 53,187,493 |

Note 16: Other Current Assets

| Particulars | Rs. | |
|---|------------------------|------------------------|
| | As at 31 March 2012 | As at 31 March 2011 |
| Unsecured, considered good | | |
| Interest accrued and due - Acrastyle Power (India) Limited | 19,593,124 | 16,705,544 |
| Interest accrued and due - S&S Power Switchgear Equipment Ltd | 162,740 | 43,200 |
| Interest accrued and due - Hamilton & Co | 442 | 470 |
| Less: Provision for doubtful Loan | 3,918,625 | - |
| TOTAL | 15,837,681 | 16,749,214 |

Note 17 : Revenue from Operations

| Particulars | Rs. | |
|------------------------------|------------------------|------------------------|
| | As at 31 March 2012 | As at 31 March 2011 |
| (a) Sale of Products | 2,610,555 | - |
| (b) Other Operating Revenues | 13,200,000 | 18,000,000 |
| Less: Excise Duty | - | - |
| Total | 15,810,555 | 18,000,000 |

Note 18: Other Income

| Particulars | Rs. | |
|----------------------------|------------------------|------------------------|
| | As at 31 March 2012 | As at 31 March 2011 |
| Interest Income | 4,768,127 | 4,235,704 |
| Exchange Gain /(Loss) | - | (60,688) |
| Other non-operating income | 12,843,213 | 17,686,236 |
| Total | 17,611,340 | 21,861,252 |

Note 19: Employee benefit expenses

| Particulars | Rs. | |
|---|------------------------|------------------------|
| | As at 31 March 2012 | As at 31 March 2011 |
| (a) Salaries and incentives | 14,369,096 | 16,301,368 |
| (b) Contributions to - (i) Provident Fund | 820,163 | 942,545 |
| (ii) Employee State Insurance | 30,897 | 28,085 |
| (iii) Gratuity fund contributions | 301,613 | 230,819 |
| (c) Staff welfare expenses | 224,496 | 272,526 |
| Total | 15,746,265 | 17,775,343 |

Note 20: Finance Costs

| Particulars | Rs. | |
|----------------------|------------------------|------------------------|
| | As at 31 March 2012 | As at 31 March 2011 |
| (a) Interest expense | 411,568 | 766,699 |
| Total | 411,568 | 766,699 |

Note 21: Depreciation and amortization expense

Rs.

| Particulars | As at | |
|------------------------------|------------------|------------------|
| | 31 March 2012 | 31 March 2011 |
| Depreciation on Fixed Assets | 2,588,750 | 2,406,029 |
| Total | 2,588,750 | 2,406,029 |

Note 22: Extraordinary items

| Particulars | As at | |
|---|-------------------|-------------------|
| | 31 March 2012 | 31 March 2011 |
| Provision for Diminution in Investments/Loans | 23,610,898 | 22,933,402 |
| Provision for Loans and Advances | - | 1,985,888 |
| Sales Tax Paid | 149,300 | 5,518,119 |
| Total | 23,760,198 | 30,437,409 |

Note 23: Disclosure pursuant to Note no. 5(i)(c) of Part II of Schedule VI to the Companies Act, 1956

| Particulars | As at | |
|--|------------------|------------------|
| | 31 March 2012 | 31 March 2011 |
| Postage , Telegram and Telephone | 429,055 | 507,874 |
| Travelling and Conveyance | 500,064 | 1,912,750 |
| Printing & Stationery | 338,113 | 185,347 |
| Service tax on business support services | - | 590,786 |
| Contract Expenses | - | 193,973 |
| Consultancy Charges | 206,621 | 1,594,736 |
| Guest House Expenses | 997,223 | - |
| Contract Expenses | 112,157 | - |
| Car Hire Charges | 207,360 | - |
| Light hire charges | 164,700 | - |
| Legal fees | 127,650 | 1,248,162 |
| Listing Fees | 150,132 | - |
| Other expenses | 610,025 | 1,427,565 |
| Total | 3,843,100 | 7,661,193 |

Note 24 : Disclosure pursuant to Note no. 5(i)(j) of Part II of Schedule VI to the Companies Act, 1956

| Particulars | As at | |
|-------------------------|----------------|----------------|
| | 31 March 2012 | 31 March 2011 |
| Payment to Auditors | | |
| a) As Auditor | 100,000 | 100,000 |
| b) for taxation matters | 40,000 | 40,000 |
| c) for other services | 71,750 | 189,810 |
| Total | 211,750 | 329,810 |

Note 25 : Disclosure pursuant to Note no. 5(vi) of Part II of Schedule VI to the Companies Act, 1956

| Particulars | As at | |
|--|------------------|------------------|
| | 31 March 2012 | 31 March 2011 |
| Consumption of stores and spare parts | | |
| Power and fuel | 285,357 | - |
| Rent | 1,249,419 | 1,560,041 |
| Repairs & Maintenance | 62,962 | 53,220 |
| Insurance | 4,004 | - |
| Rates and Taxes, excluding taxes on income | 58,438 | 73,591 |
| Total | 1,660,180 | 1,686,852 |

Note 26: Expenditure in Foreign Currency

Rs.

| Particulars | As at 31 March 2012 | As at 31 March 2011 |
|---------------------|------------------------|------------------------|
| Travelling Expenses | - | 52,913 |
| Export commission | 288,658 | 5,066,494 |
| Others | 112,157 | 1,387,058 |
| | 400,815 | 6,506,465 |

Note 27: Contingent Liabilities Not Provided for

- a) The company is contingently liable for Guarantees furnished to the Company's Bankers for Rs.6,06,577 (Rs.6,06,577)
- b) Statutory Claims against Company not acknowledged as debts towards Excise duty liability of Rs.6,42,59,735 disputed and appeal lying with the Commissioner Appeals and CESTAT.
- c) The company had during prior years entered into a settlement with the workmen under the provisions of Section 12(3) of the Industrial Disputes Act, 1947. Liability during the previous years had been provided to the extent of the obligation under the settlement. However, a section of the workmen have challenged the said settlement through a writ petition in the High Court of judicature, Madras, which was dismissed. Against the said dismissal of the writ petition, these workmen had preferred a writ appeal, which had also been disposed with a direction to the State Government to refer the dispute to Industrial Tribunal. Pursuant to an application made by a section of the workers the State Government has referred the dispute for adjudication. The liability, if any, that may arise out of the adjudication is not provided and is not quantifiable. Further, a writ petition was made by the company to the Honourable High Court of Madras for the removal of the balance unutilized plant & machinery at the Porur works. An order for an ad-hoc deposit of Rs. 2,00,00,000 over and above the settlement amount worked out in accordance with Section 12(3) of Industrial Disputes Act, 1947 and not taken by a section of the workmen, and proceeds out of the sale of unutilized plant & machinery, as a precondition for removal has been received. Against the said order the company has preferred a special leave petition in the Honourable Supreme Court.
- d) For the non-redemption of the advance licences as referred to in **Note 36 & 40**, the consequent interest and penalty in the event of the appeals of the company by way of writ petitions being decided against the company or the application made with the Grievance Redressal Committee being turned down, is indeterminate.
- e) The following are the appeals made by/against the company with respect to certain income-tax Assessments which are pending as at the reporting date. The consequential income-tax liabilities are indeterminate
 - i) For Assessment Year 2007-08, The CIT(A) held that the Capital Gains has arisen from sale of business assets and therefore eligible for set-off

against business loss for the prior assessment years. According to the department, as per section 72 brought forward business loss can be set off only against income assessable under the heads profits and gains from business or profession and not under any other income.

- ii) For Assessment Year 2008-09, The CIT(A) held that the Capital Gains has arisen from sale of business assets and therefore eligible for set-off against business loss for the prior assessment years. According to the department, as per section 72 brought forward business loss can be set off only against income assessable under the heads profits and gains from business or profession and not under any other income.
- iii) For Assessment Year 2007-08, Department has filed an appeal against the CIT(A)'s order directing the deletion of the addition made to the extent of Rs. 40,34,98,207 representing waiver of principal portion of loans from banks and financial institutions.
- iv) For the Assessment Year 1996-97, the company had claimed depreciation aggregating to Rs.1,84,52,500 on certain leased assets. The Hon'ble High Court of Madras vide its judgment dated 8th December 2011 passed an order which disallowed the depreciation claimed on the ground that the identity of the assets could not be proved. Against the order of the Hon'ble High Court of Madras, the company has filed a review application claiming allowance of the amount as a business loss. The review application is pending for disposal. In view of the above the Company is of the opinion that no provision is required to be made.

Note 28: Small & Medium Enterprises

The Company had during the preceding previous period sent letters to its vendors for identifying Micro, Small & Medium enterprises and based on the representations received back from the vendors has completed the identification of Micro, Small & Medium Enterprises. Based on such identification there are no overdue payments and there is no interest payable as per the Micro, Small and Medium Enterprises Development Act, 2006.

Note 29: Undisputed Liabilities

The company has provided for the following statutory liabilities, which it has not disputed on the date of the balance sheet and which remain outstanding for over a period of 6 months.

| Nature of statutory dues | Amount outstanding for more than 6 months from the due date in Rs. |
|--------------------------|--|
| Society Dues | 747,389 |
| Leave Encashment Payable | 587,576 |
| Leave Travel Assistance | 245,437 |
| Bonus | 491,052 |
| Gratuity | 1,191,221 |
| Industrial Licence Fee | 53,045 |

Note 30: Deferred Taxation

The deferred tax asset arising out of the accumulated income tax losses and timing differences has not been recognised considering the prolonged uncertainty in the company earning taxable income in the foreseeable future. This is in line with the policy of prudence recommended in the appropriate accounting standard issued by the ICAI.

Note 31: Disclosure under Accounting Standard 15 (Revised 2005) 'Employee Benefits'

The company has recognized as expenses for retirement benefits as follows for the year ended 31st March 2012:

Defined Contribution Scheme:

| Name of Contribution scheme | 2011-12 | 2010-11 |
|-----------------------------|---------|---------|
| Provident Fund | 820,246 | 862,033 |

Defined Benefit Scheme:

| Name of Contribution scheme | 2011-12 | 2010-11 |
|-----------------------------|---------|---------|
| Gratuity | 301,609 | 262,570 |
| Leave Encashment | 203,547 | 239,504 |

Note 32: Impairment of Fixed Assets:

No impairment loss / gain has been considered for the fixed assets of the company as the Net Selling Value as assessed during the previous period has been considered to be significantly higher than the carrying amount in such assets and the company does not consider appropriate for a valuation as at the current Balance Sheet date. This is considered appropriate and on a conservative basis credit for Net Selling Value has not been recognized.

Note 33 : Trade Receivables

Trade receivables includes an amount of Rs.5,50,62,076, which had been fully provided for during the prior years is receivable from S&S Power Corporation, Malaysia for supplies effected in the past. S&S Power Corporation, Malaysia had been wound up and as a consequence the debt is irrecoverable. The

company has made applications to the Reserve Bank of India through the authorized dealers for the write off the amounts outstanding. The Trade Receivables includes amount receivables from Top Rank Corporation, Malaysia Rs.2,76,54,225 (fully provided in the books) and the Trade Payable includes Rs.1,00,14,854 payable to Top Rank Corporation, Malaysia. The company had negotiated with Top Rank Corporation for full and final settlement and it was settled subsequent to the balance sheet date. Further, Restatement of outstanding balances with Top rank Corporation, Malaysia and S&S Power Corporation, Malaysia has been fully provided for in the previous periods and hence are not restated for any forex gains / losses. The amounts realized are recognised as and when receipts against the settlements are received and payments made.

Note 34 : Related Party Disclosures - Refer Page No. 33.

Note 35: Short and long term Loans and Advances:

Advances recoverable in cash or in kind or for value to be received include:

A sum of Rs.2,52,68,046 (Rs. 2,58,88,476) from RPIL Signalling Systems Limited, an erstwhile subsidiary company. Net recovery of Rs.3,37,773 has been done during the year. The outstanding aggregating to Rs.2,52,68,046 had been provided in the earlier years.

- Loans and advances to subsidiaries include loans to Acrastyle Power (India) Limited aggregating as principal outstanding of Rs.4,09,74,274 (PY Rs.4,09,74,274) and interest outstanding of Rs.1,95,93,124 (Rs.1,67,05,544).
- An amount of Rs.5,41,665 being the salary paid to the erstwhile Managing Director of the company during the previous years over and above the limits prescribed under Schedule XIII of The Companies Act, 1956 and not approved by the central government has been grouped under Long-term Loans & Advances in the Balance Sheet. Representation with the Department of Company Affairs has been made for the approval, approval for which is expected for the balance amount, as No Objections Certificate as stipulated by the DCA is no longer applicable, the company having settled all the secured creditors.

Note 36 : Other Liabilities

The company, following the principle of prudence, holds Rs.1,72,47,439 (Rs.1,72,47,439) as provision for liability towards non-redemption of advance license, pursuant to orders from the JDGFT. The company has challenged the said orders by way of writ petition in the Madras High Court. Also, the application for merit based redemption of the obligations under the Advance Licences is under the active consideration with the Grievance Redressal Committee of the JDGFT.

| Note 37 : Earnings Per share | (In Rs.) | |
|--|-----------------|----------------|
| | 2011-12 | 2010-11 |
| 62,00,000 Equity Shares of Rs.10 each | 62,000,000 | 62,000,000 |
| Net Profit for the period before considering Extraordinary Items | 6,567,031 | (15,683,965) |
| Net Profit for the period after considering extraordinary items | (17,193,167) | (21,202,084) |
| EPS (Rs.) before considering extraordinary items | 1.06 | (2.53) |
| EPS (Rs.) after considering extraordinary items | (2.77) | (3.42) |

Note 38: Certain Trade payables and other liabilities, deposits, loans and advances are subject to confirmations, wherever not available.

Note 39: The company as a matter of prudence provided for Rs.2,36,10,898 (PY Rs.2,29,33,402) for the diminution in the value of the investments and doubtfulness on the recovery of the loans and interest receivable from its subsidiary Acrastyle Power (India) Limited during the year.

Note 40: Contrevention of Law: The company has not fulfilled its export obligation in respect of two Advance Licenses availed in earlier years.

Note 41: The financial statements of the year ended 31st March 2011 had been prepared as per the then applicable, pre-revised schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for the previous year figures does not impact recognition as and measurement principles followed for preparation of financial statements.

Compiled from the Audited Financial Statements of the company referred to in our report dated August 23, 2012.

As per our report attached

for **GSV ASSOCIATES**

Chartered Accountants

M.R.Venkatesh
Partner
M.No.201407
Firm No. 006179S

C. Sandhya
Company Secretary

For and on behalf of the Board
S&S Power Switchgear Limited

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Date: August 23, 2012

Place: Chennai

| Particulars | Bombay Gas | Hamilton & Co | RPSSL Ltd., | Acrastyle Power (Indio) Ltd. | Acrastyle EPS Tech. Ltd. | S&S Power Swigr Eqpt. Ltd. |
|--|------------|---------------|-------------|------------------------------|--------------------------|----------------------------|
| A Loan Taken | | | | | | |
| Balance As On 01.04.2011 (cr.balance) | 4,233,359 | - | - | - | 414,690 | - |
| Taken During The Year | - | - | - | - | - | - |
| Interest /amountpaid/adjustments | 124,373 | - | - | - | 564,874 | - |
| Repaid/adjusted | 4,357,732 | - | - | - | - | - |
| Balance As On 31.03.2012 | - | - | - | - | (150,184) | - |
| B. Trading | | | | | | |
| Balance As On 01.04.2011(dr.balance) | - | - | - | - | - | 6,620,884 |
| Sales/services (adjd.agt.exch.fluctuation) | - | - | - | - | - | 37,965,584 |
| Receipts | - | - | - | - | - | 37,771,054 |
| Payments/adjustments | - | - | - | - | - | - |
| Purchases | | | | | | |
| Balance As On 31.03.2012 | - | - | - | - | - | 6,815,414 |
| C. Loans Given | | | | | | |
| Balance As On 01.04.2011 | - | - | 25,888,477 | 57,679,812 | - | - |
| Given During The Year | - | - | 337,773 | 4,356,156 | - | - |
| Interest /amountpaid/adjustments | - | - | 958,204 | 1,442,792 | - | - |
| Interest Receivable | - | - | - | - | - | - |
| Balance As On 31.03.2012 | - | - | 25,268,046 | 60,593,176 | - | - |
| Investments | | | | | | |
| Investment During The Year | - | - | - | - | - | - |
| D. Sale Of Fixed Assets / Investments | | | | | | |
| Balance As On 01.04.2011 | - | - | - | - | - | - |
| Sales | - | - | - | - | - | - |
| Receipts | - | - | - | - | - | - |
| Balance As On 31.03.2012 | - | - | - | - | - | - |
| Negative Figures Indicate Credit | - | - | - | - | - | - |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012

| | (Rs. in thousands) | |
|--|--------------------|-----------------|
| | 2011-12 | 2010-11 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net Profit / (Loss) before taxation and Extraordinary items: | <u>6,567</u> | <u>(15,684)</u> |
| Adjustments for: | | |
| Depreciation | 2,589 | 2,406 |
| Foreign exchange (Profit) / Loss | | 61 |
| (Profit) / Loss on sale of Fixed Assets | | |
| (Profit) / Loss on sale of Investments | | |
| Interest received | (4,768) | |
| Dividend Income | | 0.8 |
| Interest Paid | <u>412</u> | <u>767</u> |
| Operating Profit before working capital changes | <u>4,799</u> | <u>(12,451)</u> |
| Adjustments for: | | |
| (Increase) / Decrease in Trade and Other Recievables | 9,974 | (3,270) |
| (Increase) / Decrease in Inventories | 2,393 | |
| Increase / (Decrease) in Liabilities | (22,133) | (2,535) |
| Cash generated from operations before Extraordinary Items | <u>(4,967)</u> | <u>(18,255)</u> |
| Extraordinary Items | (23,760) | (5,518) |
| Net Cash used in Operating Activities | <u>(28,727)</u> | <u>(23,773)</u> |
| B. CASH FLOW FROM INVESTING ACTIVITIES: | | |
| Purchase of Fixed Assets | | (223) |
| Sale of Fixed Assets | | |
| Purchase of Investments | | 16,666 |
| Sale of Investments | 7,065 | |
| Increase in Loans and advances | (536) | |
| Interest Received | 4,768 | |
| Dividend Received | | |
| Net Cash Flow from Investing Activities | <u>11,297</u> | <u>16,443</u> |
| C. CASH FLOW FROM FINANCING ACTIVITIES: | | |
| Increase in Reserve | 17,193 | |
| Repayment of Long Term Borrowings | | |
| Repayment of Short Term Borrowings | | |
| Procurement of Short Term Borrowings | | |
| Interest Paid | (412) | |
| Net Cash Flow from Financing Activities | <u>16,782</u> | <u>3,467</u> |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | <u>(649)</u> | <u>(3,864)</u> |
| Cash and Cash equivalents as at 01.4.2011(Op. Bal) | 2,491 | 6,355 |
| Cash and Cash equivalents as at 31.03.2012(Cl. Bal) | <u>1,842</u> | <u>2,491</u> |

As per our report attached

for **GSV ASSOCIATES**
Chartered Accountants

M.R.Venkatash
Partner
M.No.201407
Firm No. 006179S

Date: August 23, 2012
Place: Chennai

For and on behalf of the Board
S&S Power Switchgear Limited

C. Sandhya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

AUDITOR'S CERTIFICATE

We have examined the cash flow statement of S & S Power Switchgear Limited for the period ended 31st March 2012. The statement has been prepared by the company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange.

Place: Chennai
Date: 23, August 2012

For **GSV Associates**
Chartered Accountants
M.R.VENKATESH
Partner
Membership No.201407
Firm No.006179S

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION AS REQUIRED UNDER PART IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

1. REGISTRATION DETAILS

| | | | |
|--------------------|------------|------------|----|
| Registration No. | 6966 | State Code | 18 |
| Balance Sheet Date | 31.03.2012 | | |

2. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

| | | | |
|--------------|-----|-------------------|-----|
| Public issue | Nil | Bonus issue | Nil |
| Rights issue | Nil | Private Placement | Nil |

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

| | | | |
|-----------------------------|----------|----------------------|---------|
| Total Liabilities | 306,245 | Total Assets | 306,245 |
| SOURCES OF FUNDS | | | |
| Paid up Capital | 62,000 | Reserves and Surplus | 164,344 |
| Secured Loans | - | Unsecured Loans | - |
| APPLICATION OF FUNDS | | | |
| Net Fixed Assets | 37,303 | | |
| Net Current Assets | 61,053 | Investments | 186,534 |
| Accumulated Losses | (17,193) | Misc. Expenditure | - |

4. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

| | | | |
|---------------------------|----------|--|--|
| Turnover | 15,811 | | |
| Profit/(Loss) before Tax | (17,193) | | |
| Total Expenditure | 26,855 | | |
| Profit/(Loss) after Tax | (17,193) | | |
| Earnings per share in Rs. | 0.11 | | |
| Dividend Rate | Nil | | |

5. GENERIC NAMES OF THE PRINCIPAL / SERVICES OF COMPANY (AS PER MONETARY TERMS)

| | | | |
|--------------------------------|-------|---------------|--|
| Item code No. (ITC Code) | 85.35 | | |
| Products / service Description | | Disconnectors | |

As per our report attached
for **GSV ASSOCIATES**
Chartered Accountants

For and on behalf of the Board
S&S Power Switchgear Limited

M.R.Venkatesh
Partner
M.No.201407

C. Sandhya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Date: August 23, 2012
Place: Chennai

**STATEMENT OF HOLDING COMPANY'S INTEREST IN SUBSIDIARY COMPANIES
AS AT 31ST MARCH 2012
THE COMPANY HAS FOUR SUBSIDIARIES**

| Particulars | Acrastyle Power (India) Limited | S&S Power Switchgear Equipment Limited | Acrastyle Switchgear Limited | S&S Power Corp. | Acrastyle EPS Tech Ltd., | Acrastyle Controls India Pvt. Ltd., | Acrastyle Limited |
|--|---------------------------------|--|------------------------------|-----------------|--------------------------|-------------------------------------|---------------------|
| Number of Equity Shares held | 3,974,950 67% | 510,000 51% | 1,375,000 67% | - | 100,000 100% | 500,000 67% | 689,908 54.20% |
| Number of Preference Shares | - | - | - | - | - | - | - |
| Financial year / period of the subsidiary ended on | 31.03.2012 | 31.03.2012 | 31.03.2012 | - | 31.03.2012 | 31.03.2012 | 31.03.2012 |
| The net aggregate amount of Profit / (Losses) of the Subsidiaries as for as it concerns the Holding Company | Amount in Rs. 000's | Amount in Rs. 000's | Amount in Rs. 000's | - | Amount in Rs. 000's | Amount in Rs. 000's | Amount in Rs. 000's |
| 1. Dealt with in the accounts of S&S Power Switchgear Limited by way of dividend on the shares held in the subsidiaries | | | | | | | |
| (a) for the subsidiary's current financial year | (23,938) | 416 | (45,642) | - | 63 | (5,983) | 1,799 |
| (b) for the previous financial years of the subsidiary since it become the subsidiary of S&S Power Switchgear Limited | (21,472) | (27,974) | (39,218) | - | (19) | 195 | (226,113) |
| 2. Not dealt with in the accounts of S&S Power Switchgear Limited | | | | | | | |
| (a) for the subsidiary's current financial year | | | | | | | |
| (b) for the previous financial years of the subsidiary since it become the subsidiary of S&S Power Finvest Limited | | | | | | | |
| (a) Change in the Holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the Holding Company's financial year | | | | | | | |
| (b) Material changes which have occurred between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect | | | | | | | |
| (i) the subsidiary's fixed assets | - | - | - | | | | |
| (ii) the investments (Net decrease due to sale) | - | - | - | | | | |
| (iii) the moneys lent by it - Additional loan given to subsidiary | - | - | - | | | | |
| (iv) the moneys lent by it for any purpose other than of meeting current liabilities | - | - | - | | | | |

The Company holds 100% shares in Acrastyle EPS Technologies Limited
The Company holds 67% shares in Acrastyle Power (India) Limited
The Company holds 51% shares in S&S Power Switchgear Equipment Limited
Acrastyle Power (India) Limited holds 100% shares in Acrastyle Switchgear Limited.
Acrastyle Switchgear Limited holds 100% shares in Acrastyle Controls India Limited
Acrastyle Switchgear Limited holds 54.20% shares in Acrastyle Limited

For and on behalf of the Board
S&S Power Switchgear Limited

Date : August 23, 2012
Place: Chennai

C. Sandhya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

S&S POWER SWITCHGEAR LIMITED

Registered Office: II Floor, No. 67, (Old No.19), Dr.Ranga Road, Mylapore, Chennai - 600004

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the Hall)

I hereby record my presence at the 34th Annual General Meeting of the Company being held at Bharatiya Vidya Bhavan (Mini Hall), New No. 18, 20, 22 (Old No. 37 – 39), East Mada Street, Mylapore, Chennai – 600004 on Friday, the 28th September, 2012 at 3 p.m.

Full Name of the Shareholders in Block Letters

Folio No.

No of Share held

Name of Proxy (if any) in Block Letters

Signature of the Shareholder / Proxy

S&S POWER SWITCHGEAR LIMITED

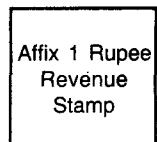
Registered Office: II Floor, No. 67, (Old No.19), Dr.Ranga Road, Mylapore, Chennai - 600004

PROXY FORM

I/We
of being a
Member / Members of S&S Power Switchgear Limited hereby appoint or
..... failing him / her
of as my / our proxy to attend and vote for
me / us and on my / our behalf at the 34th Annual General Meeting of the Company to be
held on Friday, the 28th day of September 2012 and at any adjournment thereof.

As Witness my / our hand(s), this day of 2012.

Signature of the Member / Proxy Holder



Note : Proxies must be deposited with Company's Share Transfer Agent M/s. GNSA Infotech Ltd., Nelson Chambers,4th Floor, F Block, No. 115, Nelson Manickam Road, Aminjikarai, Chennai - 29 not less than 48 hours before the time fixed for holding the meeting.

If undelivered return to:

M/s. GNSA Infotech Ltd.,

Nelson Chambers, 4th Floor, F Block,

No. 115, Nelson Manickam Road,

Aminjikarai, Chennai - 600 029.