



**S&S POWER SWITCHGEAR LIMITED**

## **OUR VISION**

**“To Become Preferred Switchgear and P&C Solutions Company”**

**Annual Report 2019-2020**



TABLE OF CONTENTS		
<b>1</b>	<b>ANNUAL REVIEW</b>	Page No.
	MESSAGE FROM CHAIRMAN	.....001
	MESSAGE FROM MANAGING DIRECTOR	.....002
	OVERVIEW - INDIA & UK	.....003
<b>2</b>	<b>CORPORATE PROFILE</b>	
	CORPORATE INFORMATION	.....005
	BOARD PROFILE	.....006
	EXECUTIVE LEADERSHIP TEAM	.....007
<b>3</b>	<b>NOTICE TO MEMBERS</b>	.....008
<b>4</b>	<b>DIRECTOR'S REPORT</b>	.....020
<b>5</b>	<b>MANAGEMENT DISCUSSION ANALYSIS REPORT</b>	.....046
<b>6</b>	<b>CORPORATE GOVERNANCE REPORT</b>	
	COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE	.....057
	CERTIFICATE	.....058
	CEO / CFO CERTIFICATION	.....059
	CORPORATE GOVERNANCE REPORT	.....060
<b>7</b>	<b>INDEPENDENT AUDITOR'S REPORT – STANDALONE</b>	.....072
<b>8</b>	<b>FINANCIAL STATEMENTS STANDALONE</b>	.....080
<b>9</b>	<b>INDEPENDENT AUDITOR'S REPORT – CONSOLIDATED</b>	.....123
<b>10</b>	<b>FINANCIAL STATEMENTS CONSOLIDATED</b>	.....130
<b>11</b>	<b>FINANCIAL STATEMENTS SUBSIDIARIES</b>	.....172
<b>12</b>	<b>NOTES</b>	.....182



## MESSAGE FROM CHAIRMAN

Fellow shareholders,

Last year I said that the year 2018-19 has been amongst the most difficult that I have experienced in the 30 years that I have been associated with S&S. However, it seems that I was off the mark as 2019-20 was even worse. The economic situation, especially in the Indian Power sector continued to be badly affected, and the spread of COVID-19 made life very difficult for India and indeed for the entire world.

In India, in addition to the lack of capital and confidence, COVID-19 disrupted supply chains and lives. For us, many customers were not able to inspect materials and take delivery for goods made ready for them in Q4 of our financial year. In fact, in some cases the delivery has happened only in July/Aug of 2020, a good 5/6 months later. Obviously, this has had a dramatic effect of our operations. More than anything of course, was that people were affected everywhere-our own colleagues and their families, those of our suppliers and many others in our eco system. Lockdowns caused disruption of supply chains and the ability of goods and people to move about. To some extent our sympathies are with the local administration who were clearly ill prepared to deal with this once in a century event. I do feel that, constant and complete communication by the powers that be and creation of an apolitical task force to manage this would have helped the country deal with this situation far better.

At both the facilities we created task forces to manage the situation, encouraged and enforced 'work from home', implemented and enforced better hygiene and sanitization protocols. Though we had huge disruptions and scares, we have not had any misfortune within the any of our colleagues. However, some of our colleague's families have been impacted, as have been some of our contractors and suppliers. We have tried to help them to the best of our ability, but nothing we can do can replace their pain. Our hearts go out to them and the many others who have been infected across India and the world.

Operationally, the India business was very badly impacted by delay and deferment of orders from Bangladesh and Africa. Orders which were in the pipeline took much longer to finalise, and when they did and were due for deliveries in Q4, we got impacted by COVID-19. We have also had to deal with being effectively closed for almost all of Q1 of 2020-21. Obviously, to cushion this impact, especially in India, we have had to cut costs and postpone many expenditures that were planned. In my opinion, assuming we have lost 4 months of productive work, we will be able to salvage half of the losses incurred by better cost management. The good news is that our order book is good and we think we have enough traction with our customers to have a reasonable year, provided there are no more major disruptions.

At Acrastyle, UK, we have done better though the last two months of the FY were impacted by COVID. Here, we must acknowledge the prompt action by the UK Govt in supporting businesses through furlough and working capital support schemes. They were transparent and efficiently implemented. Internally, a more responsive management of the company resulted in better customer engagement and better orders. Though we have also started the next FY with a better order backlog, the months of April and May were impacted due to COVID. Another piece of good news is that we have settled better terms with the Pension regulator for the next three years.

In summation, were not for COVID, two of our businesses, i.e., Acrastyle UK and APIL India would have had better years than the previous one and are well positioned for the coming year, whereas the disconnector business had a very poor year, though this year looks better in spite of COVID. In the midst of all this, our SAP system has gone live and the suspension of trading of our shares in the stock exchanges has been revoked. We will progress, and hopefully complete the re-organization of our businesses to simplify the structure. All of this is because we have confidence and desire to become a better company for our customers, suppliers, employees and shareholders. Our fundamentals continue to be to do business profitably, fairly and with good customers, to keep working capital tight, develop our people and systems and work within our means. Our values of Integrity, Humility and Passion will continue to be the way we run our lives, and our businesses and deal with society.

I thank you for your support and patience and am personally grateful to all our colleagues in India and England for their sincerity and to our Directors for their guidance.

Thank you and God bless,

**Ashish Sushil Jalan**  
Chairman

## MESSAGE FROM MANAGING DIRECTOR

Greetings!

Performance of the year 2019-2020 was much below our plan. Economic slowdown in India and global market, liquidity challenges impacted order finalization in Bangladesh and Africa. Disconnecter business witnessed serious drop in order booking and hence the sale. Late orders planned to be executed in last quarter got impacted by COVID19 Pandemic (Pushed out by 3-4 months). While Toshiba Account development in APIL and better order and sale in UK has stayed overall better protection side business of the company, the switchgear business of disconnecter and MV Switchgear Service both underperformed. HHV Prime Development for MAPS project got delayed and hence execution.

Accelerated transition of Bangladesh towards GIS in Transmission sector impacted AIS demand in Bangladesh.

### India Operations – Salient Points

SAP B1 implementation in both the sites was significant improvement in control, alert and approval process in the company. A lot of processes were standardized and digitized. Integrated data was made available for quick reporting, analytics, problem solving and decision making. This has expanded the transactional capacity of the company.

Approval of Disconnecter in 6 new countries in Africa taking it to 24 countries including TANESCO in Tanzania & STEG approval in Tunisia was significant geographical expansion. This has developed very good pipeline from EPC for African Utilities.

Expanding our base of GIS LCP, CRP and SAS through Switchgear Unit and Project Division of Toshiba gave encouraging business development and expanded the customer base for APIL.

We made a breakthrough in Developing MV Switchgear Service Business in Bangladesh by securing a Spares Breaker Order from Dhaka Utility for our old HHV12 supplies.

Supply of Disconnecter project to Northern Power Grid with the help of Acrastyle UK was a good development and yielded a large disconnecter order from UK after a long time.

We secured approval of new disconnecter after improvement from EVN SPC in Vietnam and resolved the blocking issue. We are already seeing a traction now and a significant disconnecter order has been now received from Vietnam.

We are continuing to focus on becoming a global player of disconnecter supplier from 12 KV to 145 KV. We have made significant portfolio development for Bangladesh Distribution segment and extending the same to African distribution utilities and developing R3 Business has improved our offerings. We are now able to replace, retrofit and service 10 other make of disconnectors, other than S&S own make. This business has potential to drive our business significantly in future and can change the revenue mix between green projects and brown project businesses.

During the year we added 5 additional sales agent/ channel partners including in ISRAEL, Dubai and Africa- in addition to adding one in India

Our effort to make our offerings more competitive has developed our product portfolio into three platforms. This was essential to compete with Indian Competition, Chinese Competition and European Competition in different market geographies. Our value chain re-structuring operations needs to continue to improve competitiveness and specially the capacity utilization / capacity sizing in line with volume and demand. Feeder shop activities are being outsourced to reduce overall cost and to have strong focus on critical parts and Assembly Unit.

While financials of 19-20 are very bad, we took this opportunity to bring several improvements for securing 20-21 and better future performance. Opening order and order coverage for sale in Disconnecter is significantly better and almost 70% of budgeted sales are now covered by order APIL has frame contracts in place.

### UK Operations – Salient Points

Better focus by Acrastyle in developing OEM and EPC business in UK while staying connected with Distribution utilities grew the volume and order. After a long gap the newly approved RD145G disconnecter by ENA got converted into order and a major project of this product was executed in the last year for Northern Power Grid UK.

Several Organizational improvements, an attempt to supply to Bangladesh and Engineering Service at higher margin were helpful in improving performance Covid 19 had minor impact in UK.

We are expecting better order book and sale for Acrastyle in coming year 2020 - 2021.

Best wishes,

**Ashok Kumar Vishwakarma**  
Managing Director

## ANNUAL REVIEW

### STANDALONE HOLDING COMPANY S&S POWER SWITCHGEAR LIMITED (S&S PSL) PERFORMANCE – AN OVERVIEW

S&S PSL – Performance Overview		
Financial Year	Turnover (INR in Millions)	PBDIT (INR in Millions)
2015-16	16.68	5.42
2016-17	4.13	(3.30)
2017-18	7.04	0.94
2018-19	5.09	20.95
2019-20	8.56	4.65

Significant resources of the holding company are applied for the management of Indian and UK subsidiaries.

The spares, service, and retrofit business development in various states where our Circuit Breaker installed base is high, led to some inroads in order acquisition.

A new project of providing retrofit solution to Madras Atomic Power Station (MAPS) HHV PRIME was launched.

An order of 2 crores was received from MAPS. Delivery extended up to July 2021 due to COVID Crisis.

### CONSOLIDATED RESULTS OF OPERATIONS – AN OVERVIEW

Consolidated Performance Overview		
Financial Year	Turnover (INR in Millions)	PBDIT (INR in Millions)
2015-16	1,142.76	73.93
2016-17	893.97	33.01
2017-18	1,034.14	80.14
2018-19	1,034.46	(3.29)
2019-20	916.93	(43.78)

Overall Sales Volumes were down by 11% from FY 2018-19 to FY 2019-20 due to significant drop in Disconnecter Sales. 55% of the Loss is contributed by 52% Drop in Disconnecter Sales Volume.

UK has a Benefit of Pension Deficit Gain and APIL Operations in India Performed Better on profitability.

### S&S POWER SWITCHGEAR EQUIPMENT LIMITED (S&S PSE) (Disconnecter Business)

S&S PSE Performance Overview		
Financial Year	Turnover (INR in Millions)	PBDIT (INR in Millions)
2015-16	213.65	9.80
2016-17	313.38	8.32
2017-18	342.54	35.03
2018-19	374.62	17.21
2019-20	178.57	(24.44)

Delay in order finalisation followed by last quarter COVID impact had dropped sales volume by 52%.

We got approval from few new countries in Africa and this takes our approval to almost major parts of African market. Launch of R3(Refurbishment, Retrofit and Renovation) program will increase our retrofit & service business revenue.

### ACRASTYLE POWER (INDIA) LIMITED (APIL)

APIL Performance Overview		
Financial Year	Turnover (INR in Millions)	PBDIT (INR in Millions)
2015-16	148.03	18.07
2016-17	164.18	3.03
2017-18	175.52	18.97
2018-19	199.70	7.82
2019-20	193.82	23.36

Despite Same level of sales, profitability was increased due to increase in different product mix in business and better cost management.

### ACRASTYLE LIMITED (AL)

#### Core P&C Business – ACRASTYLE LIMITED, UK

AL, UK Performance Overview		
Financial Year	Turnover (INR in Millions)	PBDIT (INR in Millions)
2015-16	801.46	52.67
2016-17	708.75	45.99
2017-18	782.11	49.01
2018-19	537.82	(32.68)
2019-20	592.44	(20.96)

The sales increase about 10% and Loss has reduced due to Pension deficit benefit of 3,70,000 GBP (i.e. equivalent to INR 34.44 Millions).



## CORPORATE INFORMATION

### BOARD OF DIRECTOR'S & KEY MANAGERIAL PERSONNEL

Mr. ASHISH SUSHIL JALAN	NON-EXECUTIVE CHAIRMAN
Mr. AJAY KUMAR DHAGAT	INDEPENDENT DIRECTOR
Mr. DEEPAK JUGAL KISHORE CHOWDHARY	INDEPENDENT DIRECTOR
Mrs. GAYATHRI SUNDARAM	INDEPENDENT DIRECTOR
Mr. NANDAKUMAR SUNDARRAMAN	INDEPENDENT DIRECTOR
Mr. PETER JOHN WOOLRICH	DIRECTOR (up to 29.05.2019)
Mr. ASHOK KUMAR VISHWAKARMA	MANAGING DIRECTOR
Mr. GOKULANANDA SAHU	COMPANY SECRETARY AND COMPLIANCE OFFICER (w.e.f. 29th October 2019) & CHIEF FINANCIAL OFFICER (w.e.f. 14th September 2020)
Mrs. SELVI NARASIMMAN	CHIEF FINANCIAL OFFICER (up to 12th September 2020)
Mr. ARJUN SOOTA	NON-EXECUTIVE DIRECTOR (w.e.f. 14th September 2020)


<p><b>REGISTERED OFFICE &amp; WORKS</b> Plot No 14, CMDA Industrial Area Part – II, Chithamanur Village, Maraimalai Nagar – 603209. Kancheepuram District. Tamilnadu Tel: 044 – 4743 1625, 4743 1626 Website: <a href="http://www.sspower.com">www.sspower.com</a> E-mail: <a href="mailto:investor@sspower.com">investor@sspower.com</a></p> <p><b>CORPORATE IDENTITY NUMBER</b> L31200TN1975PLC006966</p> <p><b>BANKERS</b> Kotak Mahindra Bank Ltd, Adyar, Chennai ICICI Bank Limited, Alwarpet, Chennai CITI BANK N.A, Anna Salai, Chennai</p> <p><b>STATUTORY AUDITORS</b> M/s C N K &amp; Associates LLP, Chartered Accountants, Chennai</p>	<p><b>SECRETARIAL AUDITORS</b> M/s BP &amp; Associates, Company Secretaries, Chennai.</p> <p><b>INTERNAL AUDITORS</b> M/s BH &amp; Co, Chartered Accountants, Chennai</p> <p><b>REGISTRAR &amp; SHARE TRANSFER AGENT</b> M/s. GNSA INFOTECH LIMITED, STA Department, Nelson Chambers, 4th Floor, F-Block, No:115, Nelson Manickam Road, Aminjikarai, Chennai – 600029. Tamilnadu Tel: 044 – 4296 2025   Email : <a href="mailto:sta@gnsaindia.com">sta@gnsaindia.com</a></p>
--	--

### ANNUAL GENERAL MEETING

Date	: 25th of NOVEMBER 2020
DAY	: Wednesday
TIME	: 11:00 AM
VENUE	: THROUGH VC/AC

## BOARD PROFILE

### S&S POWER SWITCHGEAR LIMITED - BOARD OF DIRECTORS

<p><b>1. Mr. ASHISH SUSHIL JALAN - CHAIRMAN</b></p> <p>Mr. Ashish Jalan is a Commerce Graduate. He has to his credit over 30 years of Managerial and Administrative experience in various Industries and exposure in International business.</p>	
<p><b>2. Mr. AJAY KUMAR DHAGAT - INDEPENDENT DIRECTOR</b></p> <p>Mr. Ajay Dhagat is an Electrical Engineer from University of Jabalpur, India. He has deep domain expertise in Transmission &amp; Distribution Industry, General Management, Business Leadership and Market for over 40 years. He has held position like AREVA T&amp;D India Country President and MD and IEEMA President. He also has an international experience of handling Asia Pacific regions of Alstom T&amp;D and was located in France.</p>	
<p><b>3. Mr. DEEPAK JUGAL KISHORE CHOWDHARY - INDEPENDENT DIRECTOR</b></p> <p>Mr. Deepak Chowdhary is the Founder Owner of MPM Private Limited, Nagpur, India's pioneering manufacturer and Technical Application experts of Lustrous Carbon additives for use in Green sand molding. Mr. Chowdhary is a B.Com (Honors) graduate from Sydenham College of Commerce and Economics, Mumbai University. He has been an invitee on several Management Institutes and likes to interact with Students on Entrepreneurship.</p>	
<p><b>4. Mrs. GAYATHRI SUNDARAM - INDEPENDENT DIRECTOR</b></p> <p>Mrs. Gayathri is a Chartered Accountant and Cost Accountant. She combines a very bright academic record with best corporate exposure of over 20 years with specialization in Corporate accounting, Risk Management &amp; Treasury. Currently, a freelance Chartered Accountant, associated with M/s Profadds Consulting, handling internal and management audits up to Audit Committee presentations, for a variety of Corporates Pan-India, including listed companies.</p>	
<p><b>5. Mr. NANDAKUMAR SUNDARRAMAN - INDEPENDENT DIRECTOR</b></p> <p>Mr. Nandakumar is a Company Secretary &amp; practicing Chartered Accountant for over 40 years. He is also a DISA Certified &amp; Insolvency Professional. He has a wide knowledge &amp; expertise in Corporate Matters, Financial accounting, Taxation &amp; Statutory Audit. He is the Chairman of Audit Committee &amp; Board Sub-committees.</p>	
<p><b>6. Mr. ASHOK KUMAR VISHWAKARMA - MANAGING DIRECTOR</b></p> <p>Mr. Ashok Kumar Vishwakarma is an Engineering Graduate from NIT, Allahabad, India. He has been leading S&amp;S Power Business from last 5 years. He has over 25 years of professional experience in Indian Switchgear Industry, in Sales &amp; Marketing, Technical Development, Sourcing, Manufacturing Operations &amp; PL Management. He was earlier employed with GE, Areva T&amp;D, Alstom, GEC Alstom &amp; GEC.</p>	
<p><b>7. Mr. ARJUN SOOTA - NON-EXECUTIVE DIRECTOR (w.e.f. 14th September 2020)</b></p> <p>Mr. Arjun Soota (DIN: 08281046) 52 years old is a Post-Graduate Diploma in Business Management from XLRI Jamshedpur and B.A. (Economics) degree from Mumbai University. He is a Mumbai-based independent consultant who works with Indian and international companies in an advisory capacity in areas such as business and financial strategy, corporate finance, treasury and risk management. He has worked for over 20 years with top-tier international banks and multinational companies in various country, regional and global roles.</p>	