



S&S POWER SWITCHGEAR LIMITED

OUR VISION

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

Annual Report 2021-22

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MESSAGE FROM CHAIRMAN

Fellow Shareholders,

Welcome to this AGM which is been held in these uniquely challenging times.

It's been almost a perfect storm out there. Covid is still a pandemic continuing to cause havoc on the availability of the people & reliability of supply chains, further exacerbated by China's Zero Covid policy. The Ukraine- Russia war has caused disruption and uncertainty in the world leading to a huge increase in prices of all oil-related products & energy costs. Companies which have a position in the industry which allows them to improve bargaining power with suppliers & customers and have more financial muscle enabling them to do better inventory management have ridden through these unprecedented challenges and indeed do better than before, many times at the cost of smaller companies.

Unfortunately, our company is currently not one of those in that happy situation. As a result, we have suffered and have incurred huge losses as we were fully exposed to all the volatility and uncertainty. The biggest problem has been the increase in commodity prices which shot by almost 60% in some cases. The lack of ability to build up stocks or have bargaining power impacted us very badly.

But we have survived. thanks to the hard work of our colleagues and the goodwill we have with our customers. As promoters, we have decided to fund the losses as we have faith that this unique situation too would pass and we would come out stronger, as we have always had in the past.

This one is a generation perfect storm now begun to lose ferocity, prices, customers & suppliers have settled down. We can now look at the future with optimism.

In the Chennai business, we have had to pivot our business models to recognize this reality. We have been able to cut our fixed costs by 30%. We have strengthened the bidding process to take care of our uncertainties of cost and cash. We have weeded out non-profitable business lines. Our order book is almost full for this year and has better margins.

In our UK business, we have done similar optimization though that business was not in a crisis. We are focusing on higher margin business and customers who seek more value-added services from us, which differentiate us from our competitors.

But as they say, the proof of the pudding is after all in the eating, so we will have to see to how our efforts play out.

From what we see, the Q1 results are encouraging with increase in sales, better margins, better cash collection, and losses substantially lower. This shows us that we are on the right track, but we know that the road is long. We are determined that we will prevail, and we shall.

Thank you and God bless,
Ashish Sushil Jalan
Chairman

MESSAGE FROM MANAGING DIRECTOR

Greetings!

The year 2021-22 witnessed a 25% volume drop due to Covid 2nd wave, Industrial dispute in Pondicherry in last Quarter & challenges mentioned below. Huge commodity inflation with fixed price contracts eroded margin by 15% to 20%. We could mitigate half of them by our actions, but still margin was down by 8% when compared to previous period. Business continuity plan to protect from strikes in Pondicherry & transit organization to transfer operations from Pondicherry to Maraimalai Nagar increased fixed cost.

India Operations – Salient Points

- Key challenges in 2021-2022
 - Unprecedented commodity Inflation resulted in 15% to 20% cost increase, substantially eroding margin, and driving loss
 - GE Lost business- this has significant impact on APIL, OEM Business dependent on GE in Volume Drop.
 - Key Contracts in S&S PSE (KPTL Tunisia, PGCB) Execution delayed due to Customer Drawing Approval delay.
 - Delay in MAPS execution impacted MV Switchgear volume – leading to drop in sale
 - Post covid contract management became hard and execution of 0.1% GST Merchant export led to blockage of capital with GST
 - Unfair Labor practices in Pondicherry led to commencement of Strike in the last quarter and reduced capacity
- We experienced significant Order booking in Disconnecter. This was driven by following initiatives.
 - Continued focus on Vietnam Recovery- Re-approval by EVN SPC in Vietnam and higher order
 - PGCIL Wagoora project secured through competitive bidding to maintain PGCIL approval & continuity for 420kV.
 - Continued Africa Market Expansion through KPTL & L&T.
 - New customer developed in Bangladesh for distribution class Disconnecter.

Move of operations from Pondicherry to Maraimalai Nagar has been initiated. As a part of strategy to consolidate operation in one site.

Company has launched a new initiative called S&S 4.0 to improve digitization, better risk management and preparing the company for next phase of growth in line with new VISION being carved out for the company.

- Complete Pondicherry transfer to Maraimalai Nagar, Implement DS Integration Project- simplify, reduce Breakeven point
- Focus on Cash Velocity and not on Margin alone
 - Focus on Attractive Segment/ Geography
 - Secure new Agreement with GE
 - Company wide focus on working capital efficiency improvement.
- Improve Channel Business for R3+DS
- 3-Tiered Product Approach for DS
- Launch operational excellence initiative to standardize new setup for manufacturing.
- APIL Business Rightsizing
- Appoint Full time Cost Controller/Contract manager, cost out program leader in Operations
- Improve SAP analytics and use of reports for corrective action & continuous improvement.

UK Operations – Salient Points

- UK volume dropped by 15% in Rupee term.
- Disturbance due to Covid wave 2 & supply chain disruption has reduced capacity utilization.
- Supply lead time for IED's in particular has substantially increased.
- Margins were under pressure.
- We were able to secure good opening order in hand & expect to grow significantly in coming year.
- Our renewed focus on portable relays & digital control system will generate additional revenue in coming years.
- As a part of improvement program engineering capabilities in India back office will be enhanced in coming year.

Best wishes,
Ashok Kumar Vishwakarma
Managing Director

ANNUAL REVIEW

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

Financial Year	Turnover (₹ in Lakhs)	PBDIT (₹ in Lakhs)
2017-18	70.40	9.40
2018-19	50.90	209.50
2019-20	85.62	46.46
2020-21	56.77	93.69
2021-22	57.89	107.53

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

CONSOLIDATED RESULTS OF OPERATIONS – AN OVERVIEW

Financial Year	Turnover (₹ in Lakhs)	PBDIT (₹ in Lakhs)
2017-18	10,341.40	801.40
2018-19	10,344.60	(32.90)
2019-20	9,169.26	(437.58)
2020-21	13,156.64	482.40
2021-22	11,046.25	(782.27)

Covid19 and Supply Chain has disrupted our operations in India & UK, as a result our overall Sales Volume were dropped by 16% from FY 2020-21 to FY 2021-22. In addition to this increased commodity prices has created pressure on margins and as a result, we have recorder losses before depreciation, interest & tax.

S&S POWER SWITCHGEAR EQUIPMENT LIMITED (S&S PSE) PERFORMANCE – AN OVERVIEW (Disconnecter Business)

Financial Year	Turnover (₹ in Lakhs)	PBDIT (₹ in Lakhs)
2017-18	3,425.40	350.30
2018-19	3,746.20	172.10
2019-20	1,785.69	(244.46)
2020-21	2,803.55	222.99
2021-22	2,181.81	(387.85)

Covid19 and Supply Chain has disrupted this business unit and had reduced sales volume by 22%. Increase in commodity prices has resulted into losses before depreciation, interest & tax.

ACRASTYLE POWER (INDIA) LIMITED (APIL) PERFORMANCE – AN OVERVIEW

Financial Year	Turnover (₹ in Lakhs)	PBDIT (₹ in Lakhs)
2017-18	1,755.20	189.70
2018-19	1,997.00	78.20
2019-20	1,938.25	233.64
2020-21	2,472.43	260.33
2021-22	1,735.60	(78.15)

Covid 19 related slowdown and disruptions in supply chain has lowered the sales volume by 30%. Lower Non-Frame business brought the Margin Mix down and input cost increases didn't help in increasing profitability, as a result this business unit has recorded losses before depreciation, interest & tax.

ACRASTYLE LIMITED (AL), UK - PERFORMANCE – AN OVERVIEW (Core P&C Business)

Financial Year	Turnover (₹ in Lakhs)	PBDIT (₹ in Lakhs)
2017-18	7,821.10	490.10
2018-19	5,378.20	(326.80)
2019-20	5,924.40	(209.60)
2020-21	8,739.17	206.84
2021-22	7,825.52	(131.95)

Covid19 and disrupted Supply Chain has impacted this business unit and as a result sales are decreased by 10%. In addition to this increased commodity prices have created pressure on margins and as a result, we have recorder losses before depreciation, interest & tax.

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. ARJUN SOOTA	NON-EXECUTIVE DIRECTOR (up to 31st July 2022)
Mr. ASHOK KUMAR VISHWAKARMA	MANAGING DIRECTOR
Mr. GOKULANANDA SAHU	CFO & CS AND COMPLIANCE OFFICER

REGISTERED OFFICE & WORKS Plot No 14, CMDA Industrial Area Part – II, Chithamanur Village, Maraimalai Nagar – 603209. Kancheepuram District. Tamilnadu Tel: 044 – 4743 1625, 4743 1626 Website: www.sspower.com E-mail: investor@sspower.com CORPORATE IDENTITY NUMBER L31200TN1975PLC006966 BANKERS Kotak Mahindra Bank Ltd, Adyar, Chennai ICICI Bank Limited, Alwarpet, Chennai STATUTORY AUDITORS M/s C N K & Associates LLP, Chartered Accountants, Chennai	SECRETARIAL AUDITORS M/s. BP & Associates, Company Secretaries, Chennai. INTERNAL AUDITORS M/s. Druv & Associates, Chartered Accountants, Chennai REGISTRAR & SHARE TRANSFER AGENT 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 : sta@gnsaindia.com
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ANNUAL GENERAL MEETING

Date	: 28th of SEPTEMBER 2022
DAY	: Wednesday
TIME	: 11:00 AM
VENUE	: THROUGH VC/AC

BOARD PROFILE

S&S POWER SWITCHGEAR LIMITED - BOARD OF DIRECTORS

<p>1. Mr. ASHISH SUSHIL JALAN - CHAIRMAN 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>2. Mr. AJAY KUMAR DHAGAT - INDEPENDENT DIRECTOR Mr. Ajay Dhagat is an Electrical Engineer from University of Jabalpur, India. He has deep domain expertise in Transmission & Distribution Industry, General Management, Business Leadership and Market for over 40 years. He has held position like AREVA T&D India Country President and MD and IEEMA President. He also has an international experience of handling Asia Pacific regions of Alstom T&D and was in France.</p>	
<p>3. Mr. DEEPAK JUGAL KISHORE CHOWDHARY - INDEPENDENT DIRECTOR 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>4. Mrs. GAYATHRI SUNDARAM - INDEPENDENT DIRECTOR 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 & Treasury. Currently, associated with M/s Profoids Consulting, handling internal and management audits up to Audit Committee presentations, for a variety of Corporates Pan-India, including listed companies.</p>	
<p>5. Mr. NANDAKUMAR SUNDARRAMAN - INDEPENDENT DIRECTOR Mr. Nandakumar is a Company Secretary & practicing Chartered Accountant for over 40 years. He is also a DISA Certified & Insolvency Professional. He has a wide knowledge & expertise in Corporate Matters, Financial accounting, Taxation & Statutory Audit. He is the Chairman of Audit Committee & Board Sub- committees.</p>	
<p>6. Mr. ASHOK KUMAR VISHWAKARMA - MANAGING DIRECTOR Mr. Ashok Kumar Vishwakarma is an Engineering Graduate from NIT, Allahabad, India. He has been leading S&S Power Business from last 6 years. He has over 25 years of professional experience in Indian Switchgear Industry, in Sales & Marketing, Technical Development, Sourcing, Manufacturing Operations & PL Management. He was earlier employed with GE, Areva T&D, Alstom, GEC Alstom & GEC.</p>	

THE S&S MANAGEMENT TEAM



Managing Director
& CEO
**Ashok Kumar
Vishwakarma**

