



S&S POWER SWITCHGEAR LIMITED

ANNUAL REPORT 2013 - 2014

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NOTICE TO THE MEMBERS

NOTICE is hereby given that the **36thAnnual General Meeting** of the Members of **S & S Power Switchgear Limited** will be held on Monday the 29thSeptember 2014 at 3.00 pm 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 31.03.2014, the Balance Sheet as at that date and Directors' and Auditors' reports thereon.
2. To appoint a Director in the place of Mr. Nandakumar, 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.

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

**Ashish Jalan
Chairman & Managing Director**

Date: 30.05.2014

Place: Chennai

Notes:

1. 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 time fixed for the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday the 27thSeptember 2014 to Monday 29thSeptember 2014 (both days are inclusive)

3. 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.
4. 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.
5. 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

The information in respect of **item no.2** 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.S.Nandakumar
Date of Birth	20.11.1953
Date of Appointment	02.02.2012
Qualification	Chartered Accountant
Experience in specific functional areas	Mr.S.Nandakumar is a Chartered Accountant by profession and has wide knowledge in corporate matters
List of other Companies in which Directorship held	Krish Enterprises Private Limited Cambridge Creations Private Limited Acrastyle Power (India) Limited

Chairman/ Member of the Committee of the Board of Director of the Company	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, 2014	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.

On behalf of the Board of Directors

Ashish Jalan
Chairman & Managing Director

Date: 30.05.2014
Place: Chennai

REPORT OF DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

The Directors have pleasure in presenting herewith the Thirty Sixth Annual Report of your Company together with the audited accounts for the year ended 31st March, 2014.

STANDALONE FINANCIAL RESULTS

(Rs. In Million)

Particulars	2013-14	2012 -13
Sales and other Income	21.01	26.68
Gross Profit/ Loss before Interest & Tax	6.19	3.80
Less: Depreciation	1.42	2.24
Less: Interest	3.84	2.73
Profit or (Loss) before extraordinary Items and tax	0.93	(1.17)
Less: Extra ordinary items and exceptional items	(11.65)	25.48
Profit or (Loss) before tax	12.58	(26.65)
Less: Provision for tax	-	-
Profit or (Loss) after Tax	12.58	(26.65)

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 company's activity during the year primarily was of management of its subsidiary companies and restarting activities on Circuit Breakers and related spares and services.

The company has made progress in procuring service and spare orders for circuit breakers and has also started to participate in tenders for the manufacture and supply of 11kV and 33kV Indoor and outdoor Circuit Breakers. As a result of which, the company is expecting a breakthrough order in the next financial year.

The gross turnover for the year under review was Rs. 21.01 Mn as against Rs. 26.68 Mn for the previous year. The revenue from service and spare supply of circuit breakers has been a modest Rs.0.60 Mn.

CONSOLIDATED FINANCIAL STATEMENTS AND SUBSIDIARY COMPANIES

CONSOLIDATED FINANCIAL RESULTS

(Rs. In Million)

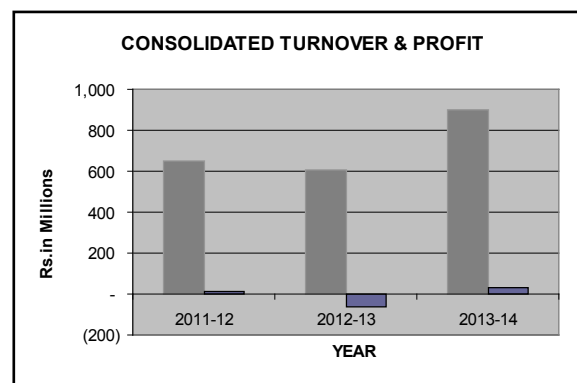
Particulars	2013-14	2012-13
Sales and other Income	899.90	608.64
Gross Profit/ Loss before Interest & Tax	32.32	(59.81)
Less: Depreciation	10.21	13.29
Less: Interest	13.77	12.62
Profit or (Loss) before extraordinary Items and tax	8.34	(85.72)
Less: Extra ordinary items and exceptional items	(15.41)	(1.84)
Profit or (Loss) before tax	23.75	(87.56)
Less: Provision for tax	(0.55)	-
Profit or (Loss) after Tax	24.30	(87.56)

The Company has five subsidiaries namely;

1. Acrastyle Limited (AL), U. K.
2. S&S Power Switchgear Equipment Limited, Chennai (S&SPSE)
3. Acrastyle Power (India) Limited, Chennai (APIL)
4. Acrastyle Switchgear Limited, U.K. (ASL, Subsidiary of APIL)
5. Acrastyle EPS Technologies Limited, Chennai (AEPS)

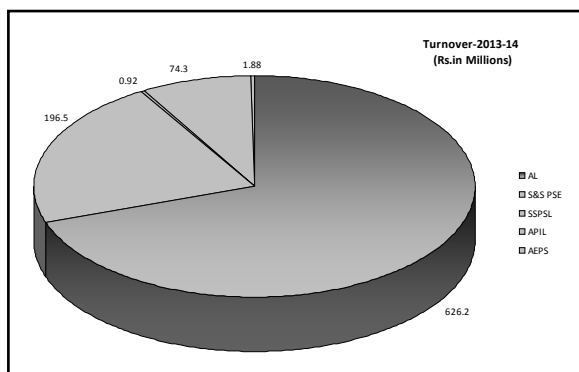
As required under the Listing Agreement with the Stock Exchanges, a Consolidated Financial Statement of the Company and all its subsidiaries are attached in the Consolidated Accounts. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). This consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate company.

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 containing brief financial details of the company's subsidiaries for the financial year ended March 31, 2014 is included in the Annual Report. The Annual Accounts of these subsidiaries and related information will be made available to any member of the company /its subsidiaries seeking such information are available for inspection at the registered office of the company. The annual accounts of the said subsidiaries will also be available for inspection, at the registered office of the respective subsidiary companies.



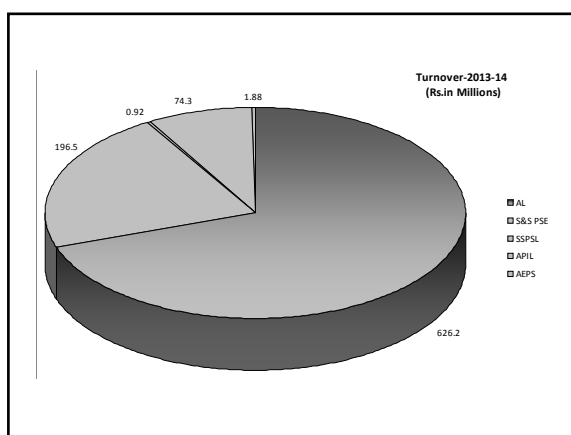
Consolidated Turnover & Profit

Financial Year	Turnover (Rs.in Millions)	PBIDT (Rs.in Millions)
2011-12	649.70	15.20
2012-13	608.64	(59.70)
2013-14	899.90	32.30



Turnover for FY 2013-14

Company	Turnover (Rs.in Millions)
AL	626.23
S&S PSE	196.52
SSPSL	0.92
APIL	74.35
AEPS	1.88



PBIDT for FY 2013-14*

Company	Profit (Rs.in Millions)
AL	30.79
S&S PSE	14.42
SSPSL	2.08
APIL	(0.48)
AEPS	0.32

* Abstracted from standalone Profit & Loss Accounts of respective companies.

ACRASTYLE LIMITED (AL)

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

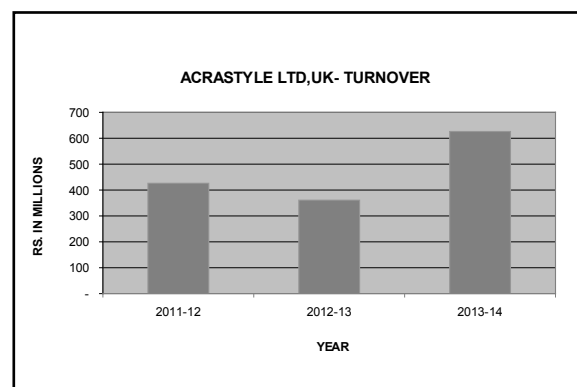
During the period under review the turnover of AL has increased from Rs. 361.62 Mn to Rs. 626.22 Mn. The Operations of the Company resulted in a profit of Rs. 9.42 Mn.

Future Developments

Generally the UK electricity market is improving with a new regulatory spend period agreed with the utility companies, allowing them to place more business. 90% of our business is now with utility companies, the end users of our products and services.

The company has secured framework contracts for the relay control panels from certain utilities in UK, providing a good base load of regular enquiries and orders. Also, a framework contract with one of the utilities for engineering services have been entered.

The company projects a growth of over 10% in the business for the next financial year, with similar year on year growth for the foreseeable future.



Turnover of AL

Financial Year	Rs.in Millions
2011-12	425.97
2012-13	361.57
2013-14	626.22

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

S&SPSL had established a Joint Venture with Coelme Construzioni 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.205.47 Mn for the year ended 31.03.2014.

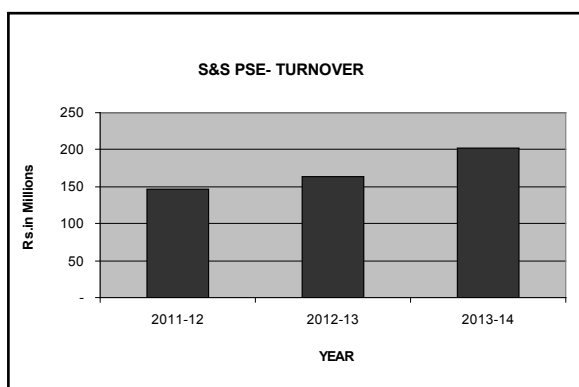
The performance of the company in the current year had improved from the previous year ended March 2013. Sales are up by 24% from Rs. 165.87 Mn

The intake of orders was encouraging especially from Vietnam and Bangladesh. However our sales to Coelme could not be increased and has only been Rs.7.67 Mn The development of new components for supply into Europe has been slow and the company expects to focus more on the strengths of the company for component supply into Europe in the next year.

Significant Highlights during the year:

- Highest turnover achieved for disconnectors from Pondicherry factory of Rs.205.47 Mn
- Biggest ever single dispatch of disconnectors from Pondicherry to Vietnam for Rs. 22.91 Mn
- Biggest ever single contract of Rs.41.70 Mn bagged for supply into Bangladesh
- Upgradation, testing and supply of HVDC disconnectors to BHEL. S&SPSE is the only approved manufacturer of DC disconnectors in India.
- Net Profit after Tax of Rs.2.02 Mn

S&SPSE acknowledged the continued support of S&SPSL through grant of interest free loans, reduced lease rentals and increased management time for achievement of these results.



Turnover of S&SPSE

Financial Year	Rs.in Millions
2011-12	146.09
2012-13	163.91
2013-14	202.46

ACRASTYLE POWER (INDIA) LIMITED (APIL)

APIL is into design of control and protection systems and also manufacture of control and protection panels.

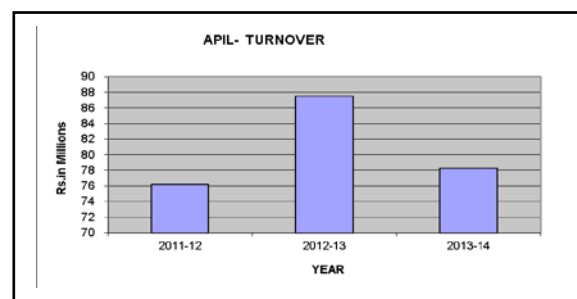
The combined turnover of the engineering and manufacturing divisions was at Rs.78.32 Mn which is a drop of from the pervious year turnover of Rs.87.48 Mn

Highlights:

The challenges faced by the company has been its over dependence on a single customer for engineering and manufacture of control and protection panels. The company has during the year put in place a new marketing team and has also invited several other leading brands in the electrical field to make use of the existing facilities to operate as a preferred OEM manufacturer. We are glad to say that there has been considerable progress and we except to commence our business with new customers in the next year.

The company has also approached several utilities and consultants for EPC contractors for enlisting and approval of APIL as a manufacturer and supplier of control and protection panels.

Apart from the above, orders are expected for supplies to the UK utilities for solar protection panels, AVC panels and marshaling panels.



Turnover of APIL

Financial Year	Rs.in Millions
2011-12	76.21
2012-13	87.48
2013-14	78.32

ACRASTYLE SWITCHGEAR LIMITED (ASL)

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

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 shortly.

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. Nandakumar 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.

The company is in the process of appointing an external agency to conduct an internal audit on the transactions of the company which shall be submitting its findings to the audit committee. The scope for the internal audit has been defined by the audit committee.

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 02, 2013, 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 Auditors' 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 31.03.2014 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 31.03.2014, and of the profit of the company for the said period.
- (iii) The Directors have taken proper and sufficient care 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 Directors have prepared the accounts for the year ended 31.03.2014 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 Auditor' Report	Reply
Para 4	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 merit based redemption before the appropriate forum.
Para 4	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 for the previous periods, as its Board deemed appropriate. For the current year, consequent to the earning of profits and the pension deficit having substantially reduced in Acrastyle Limited, the company in which ASL has invested; ASL has not made any further provision/ has not written down the value of its investment in AL. According Acrastyle Power (India) Limited the subsidiary of the Company and the holding company of ASL have provided for their exposure in ASL. The Company on a conservative basis has also provided, during its previous period, 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.
Para 7.3	The company, being the holding company had advanced these loans to its subsidiary to meet its deficit in working capital requirements due to incurrence of significant losses in the subsidiary. The loans were granted for the subsidiary to recover from its current loss situation and any further charge of interest would only put the subsidiary into further financial strain. Since the ultimate beneficiary to a majority would be the company, the interest free loan has been granted with an intention to allow the subsidiary to recover from its current financial position.

Para (ix) (a) of annexure to the Auditors' Report	The Company proposes to settle its liability towards the gratuity premium during the current year. The company assures that there are no pending gratuity settlements.
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HUMAN RESOURCES & INTERNAL CONTROLS

During the period the Company maintained cordial relations with the employees of the Company. The company acknowledges the contributions and services of its employees and wishes to place on record its appreciation of the efforts of its employees.

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: 30.05.2014
Place: Chennai

ANNEXURE TO THE DIRECTORS' REPORT

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 2013-2014

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

RESEARCH & DEVELOPMENT

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

- Development of 12 kV, 1250A, 26.3 KA, Indoor, VCB Switchgear with Magnetic Actuator Mechanism
- Development of 12 kV & 36 kV, 25 KA, Outdoor, VCB with Magnetic Actuator Mechanism

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

- Development of 12kV Ring Main Unit
- Development of 12 kV Autoreclosure

with magnetic actuator mechanism

- Railway Tracksider Breakers
- 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

Nil

On behalf of the Board of Directors

Ashish Jalan

Chairman & Managing Director

Date: 30.05.2014
Place: Chennai