

NUMERIC

The ultimate in clean power

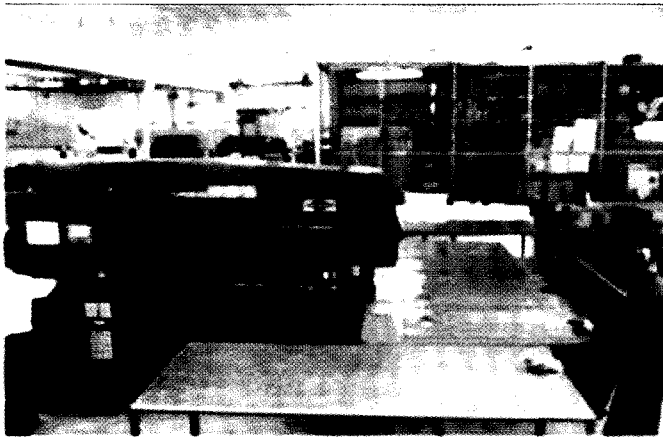
Twelfth Annual Report 2006 - 2007

Report  Junction.com

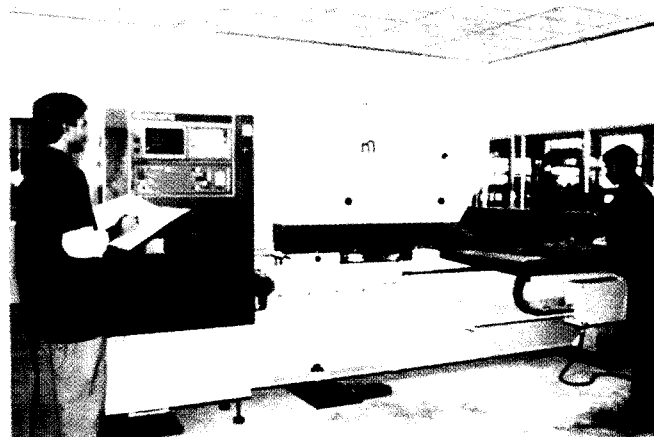
NUMERIC POWER SYSTEMS LIMITED

www.reportjunction.com

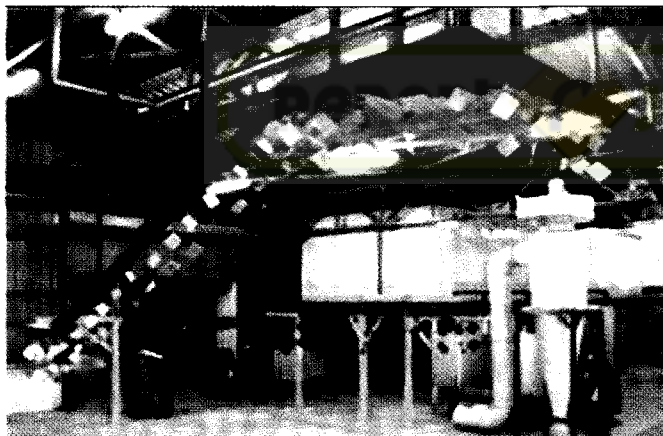
NUMERIC FACILITIES



Imported Machinery from AMADA - JAPAN



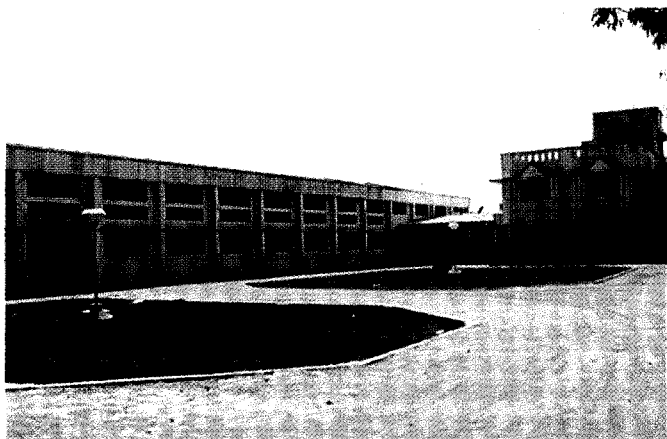
Imported Machinery from MURATEC- JAPAN



Automated Powder Coating Facility



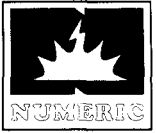
Wave Soldering



Pondicherry UPS Plant



UPS - Assembly Line



NUMERIC POWER SYSTEMS LIMITED

Registered Office: 'NUMERIC HOUSE' No.5, Sir P.S.Sivasamy Salai, Mylapore
Chennai - 600 004

NOTICE OF THE TWELFTH ANNUAL GENERAL MEETING

The Twelfth Annual General Meeting of NUMERIC POWER SYSTEMS LIMITED will be held on Saturday the 4th August 2007 at 4:00 p.m. at Hotel Ramada Raj Park, 180, T.T.K. Road, Alwarpet, Chennai – 600 018 to transact the following:

ORDINARY BUSINESS

1. To receive, consider and adopt the Twelfth Annual Report of the Directors, the audited Balance Sheet as at 31st March 2007, Profit and Loss Account for the year ended 31st March 2007 and the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. R. Veeramani who retires at this meeting and is eligible for reappointment.
4. To appoint a Director in place of Mr. R. Chellappan who retires at this meeting and is eligible for reappointment.
5. To appoint Auditors:

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

"RESOLVED THAT the retiring Auditors of the Company, M/s. S.R. Batliboi & Associates, Chartered Accountants, TPL House, Second Floor, 3, Cenotaph Road, Teynampet, Chennai – 600 018, being eligible for reappointment, be and are hereby reappointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, on such terms and conditions as to remuneration, out-of-pocket expenses etc., as may be fixed by the Board of Directors of the Company at a later date."

SPECIAL BUSINESS

6. To consider and if deemed fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
 - a) RESOLVED THAT in supersession of the resolution passed by the members of the company at the 6th Annual General Meeting held on 10th February 2001 and pursuant to the provisions of Sec 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors to borrow any sum or sums of money from time to time from any one or more persons, firms, bodies corporate or financial institutions,

NUMERIC POWER SYSTEMS LIMITED

whether by way of advance or deposit, loans or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) which will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which monies may be borrowed by the Board of Directors and outstanding at any one time shall not exceed the sum of Rs.115 Crores (Rupees One hundred and fifteen crores only) exclusive of interest and other charges and that the borrowings made till the date of this Annual General Meeting be and is hereby ratified. The Directors are hereby further authorised to execute such Mortgages, Charges, Hypothecation, Lien, Promissory Notes, Deposits, Receipts and other deeds and instruments in writing, as they may think fit, containing such conditions and covenants as the Directors may think fit

- b) Resolved that in pursuance of the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 the Company hereby accords its consent to selling, leasing, mortgaging, charging or otherwise disposing of by the Board of Directors of the Company, of all the movable and immovable properties, present and future, and the whole of the undertaking of the company in favour of the Company's Bankers and other parties to secure advance, deposits, loans or financial assistance in any other form together with interest, commitment charge, costs and expenses pertaining thereto.

NOTES:

1. Mr. R. Veeramani and Mr. R. Chellappan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, and the details regarding directorship and committee membership held by them are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends the respective re-appointments of the aforesaid Directors.

Mr. R. Veeramani and Mr. R. Chellappan are interested in the resolution relating to the respective appointments and hold 1,00,000 and 23,50,595 shares of the Company in their name respectively.

2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and the Transfer Books will remain closed from the Thursday the 2nd August 2007 to Saturday the 4th August 2007, both days inclusive.
4. The dividend for the year ended 31.03.2007, as recommended by the Board, if approved by the shareholders at the Meeting shall be payable on or before 01.09.2007 to those members whose names appear on the Company's Register of Members on 2.8.2007.
5. Pursuant to Section 205C of the Companies Act, 1956, the unclaimed dividend for the financial year 1998-1999 has been transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

By Order of the Board

Chennai
June 27, 2007

C. GAYATHRI
Company Secretary



ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 ANNEXED TO AND FORMING PART OF THE NOTICE IN RESPECT OF ITEM NO.6.

- a) The Company at its 6th Annual General Meeting held on 10th February 2001 had authorised the Board of Directors to borrow Rs.75 crores (Rupees Seventy Five crores only). In view of the increase in the volume of imports and working capital requirements in the last six years, additional borrowings may be resorted to which may exceed the existing limit. As per the provisions of Section 293(1)(d) of the Companies Act, 1956 borrowings in excess of paid-up capital and free reserves can be made subject to the consent of the shareholders in General Meeting. The Board is of the view that the limit of the borrowings should be increased to Rs.115 crores.(Rupees One Hundred Crores only).
- b) Consequent on the increase in borrowing powers, consent in pursuance of Section 293(1)(a) for furnishing securities by way of mortgage, charge etc., is being sought from the shareholders.

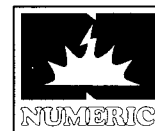
Accordingly necessary resolution is placed before the members for consideration and approval under Item No.6 of this notice.

None of the Directors of the Company is concerned or interested in the above resolution.

By Order of the Board

Chennai
June 27, 2007

C. GAYATHRI
Company Secretary



NUMERIC POWER SYSTEMS LIMITED

CHAIRMAN	:	Mr. R. VEERAMANI
DIRECTORS	:	Mr. R. CHELLAPPAN, <i>Managing Director</i> Mr. V.M. SIVASUBRAMANIAM Mr. K.P. SIVANANDAM Mr. A. BALAN Mr. K.V. NACHIAPPAN Mr. N. NATARAJAN Mr. B.G. GIRI Mr. JOHN J. DHYANCHAND (<i>Director upto 8.7.2006</i>)
COMPANY SECRETARY	:	Ms. C. GAYATHRI
AUDITORS	:	M/s. S.R. BATLIBOI & ASSOCIATES Chartered Accountants TPL House, Second Floor, 3, Cenotaph Road, Teynampet, Chennai – 600 018.
BANKERS	:	STATE BANK OF MYSORE Santhome and Industrial Finance Branch, Teynampet, Chennai. BNP PARIBAS Prince Towers, 25/26, College Road, Chennai – 600 006. STATE BANK OF INDIA Industrial Finance Branch, 103, Anna Salai, Chennai – 600 002. HDFC BANK LIMITED, Mariam Centre Branch, 751-B Anna Salai, Chennai – 600 002. HSBC. LIMITED, 76, Cathedral Road, Chennai - 600 086.
REGISTERED OFFICE	:	'NUMERIC HOUSE' 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai – 600 004.
FACTORY	:	UNIT I & II : Plot No.B-69, Door No.47, PIPDIC Industrial Estate, Sedarapet, Pondicherry – 605 111. 33/1, PIPDIC Industrial Estate, Sedarapet, Pondicherry – 605 111. UNIT III: R.S. No.33/5, 100 Feet Road, Gayathri Nagar, Mudhaliarpet, Pondicherry – 605 004. UNIT IV: R.S. No.218/6, ECR Bypass Road, Lawspet, Pondicherry – 605 008. UNIT V: Shiva Building Sector-2, Village Dangyar, Kasauli Road, PARWANOO – 173220, Dist. Solan, Himachal Pradesh. UNIT VI Plot-17A, Sector-2 Parwanoo-173220 Himachal Pradesh EHTP DIV: No.80, Kamarajar Salai, Ground Floor, Raja Annamalaipuram, Chennai – 600 028. Fabrication and Stabiliser Division: 122/1, Old Mahabalipuram Road, Semmanchery, Chennai – 600 119.

NUMERIC POWER SYSTEMS LIMITED**C O N T E N T S**

	PAGE
Director's Report	1
Annexure to the Director's Report	8
CEO and CFO Certification	11
Report on Corporate Governance	12
Corporate Governance Certificate	25
Auditors' Report	26
Balance Sheet	31
Profit & Loss Account	32
Schedules to Accounts	33
Cash Flow Statement	53
Balance Sheet Abstract	54
Section 212 Statement	55
Subsidiary Accounts	56
Auditors Report on Consolidated Accounts	65
Consolidated Accounts	67
Consolidated Cash Flow Statement	85



DIRECTORS' REPORT

Your directors take great pleasure in presenting the Twelfth Annual Report on the business and operations of the Company and the Audited Statement of Accounts for the financial year ended 31st March 2007.

GROWTH OF THE COMPANY:

During this financial year 2006-2007, the Company has achieved a growth rate of 20.74% (excluding Direct sales by principals) over the previous year, and the profit after tax is Rs1880.67 Lakhs. The EPS for FY 2006 – 2007 is Rs.37.61 compared to the previous year EPS at Rs.34.46.

FINANCIAL HIGHLIGHTS:

The Abridged financial results are as under: -

PARTICULARS	For the year ended 31/3/2007	For the year ended 31/3/2006
GROSS SALES AND OTHER INCOME	31714.76	28114.53
LESS: DIRECT SALES BY PRINCIPALS	1789.66	3328.90
SALES AND OTHER INCOME	29925.10	24785.63
LESS: TAXES DUTIES	2348.84	1857.62
NET SALES AND OTHER INCOME	27576.26	22928.01
PROFIT BEFORE DEPRECIATION, INTEREST & TAX	3016.59	2715.48
DEPRECIATION	213.24	123.84
PROFIT BEFORE INTEREST & TAX	2803.35	2591.64
INTEREST	388.08	250.11
PROFIT BEFORE TAX	2415.27	2341.53
LESS: TAX (Net)	357.51	395.10
LESS: PRIOR PERIOD ITEMS	177.09	223.54
PROFIT AFTER TAX	1880.67	1722.89
EQUITY CAPITAL	500.00	500.00
RESERVES AND SURPLUS	9660.61	8131.63
EPS	37.61	34.46

DIVIDEND

The Directors have pleasure in recommending a Dividend at the rate of 45% on the equity shares of the Company, free of tax in the hands of the shareholders, for the year ended 31st March 2007, subject to approval of the shareholders.

MANUFACTURING FACILITIES & OFFICE DETAILS IN INDIA:

For the benefit of all the new and existing shareowners we are very pleased to list below the facilities and activities of our company NUMERIC, which has helped us to achieve a large volume of installed base, which is the highest in the Industry

UNIT - I (MAGNETICS PLANT AT PONDICHERRY): Designs & Manufactures Transformer and wound component / coil for our own captive consumption.

UNIT - II (UPS PLANT AT PONDICHERRY): Equipped with modern assembly systems and conveyor line, this plant deals with Design, Manufacture, Sales & Service of NUMERIC brand UPS systems.

NUMERIC POWER SYSTEMS LIMITED

UNIT - III (UPS PLANT AT PONDICHERRY - CUDDALORE ROAD): Produces and supplies 1Ph / 1 Ph NUMERIC Digital HP series to the IT / Distribution and the fast growing banking markets in good volumes.

UNIT - IV (UPS PLANT AT PONDICHERRY - ECR): Supplies the NUMERIC Digital HPE range of UPS systems to the IT / Distribution and the Corporate segment. The products from this unit are 3Ph / 1 Ph type NUMERIC Digital HPE series.

CNC FABRICATION PLANT (CHENNAI – OLD MAHABALIPURAM ROAD): The modernised sheet metal process plant encompasses powder coating facility equipped with Murata – Japan CNC (Computer Numerical Control) punching system, DARLEY – Holland CNC forming & press brake and GEMA – Switzerland made Powder Coating work station.

STABILISER MANUFACTURING PLANT (CHENNAI – OLD MAHABALIPURAM ROAD): The Stabilisers and Power Conditioning accessories are manufactured in this plant and this unit supports NUMERIC as a total Power conditioning Systems Company in India.

UNIT – V (UPS PLANT IN HIMACHAL PRADESH - PARWANOO): This plant was incorporated in September 2005 to support the North India market for supplying Numeric Digital HP and HPE range of UPS Systems to the IT / Distribution and the Corporate segment.

UNIT - VI (UPS PLANT WITH INTEGRATED CNC FABRICATION FACILITY IN HIMACHAL PRADESH – PARWANOO): The establishment of this new plant is the latest venture of NUMERIC aiming to support the growth of Northern India market. The facility was acquired from HIMUDA under lease. The re-construction activities are to start in July – August 2007.

EHTP: A 100% EOU under the STPI / EHTP (ELECTRONIC HARDWARE TECHNOLOGY PARK) scheme promoted towards support of exports – located in Chennai. The UL approved power products are exported to Canada, UK and China and our NUMERIC brand UPS systems are exported to South America, Singapore, Vietnam, Mauritius, Dubai and the other African - South Africa, Nigeria, Kenya, Ethiopia, Uganda, Mozambique, Sudan, Malawi and Botswana.

NORTH INDIA REGIONAL HUB (PANCHKULA - CHANDIGARH): Northern India Regional Hub with warehouse facility established during 2005 for maintaining stocks of all fast moving UPS systems and accessories to enable NUMERIC to meet increasing customer demands and to reduce the delivery lead time.

EAST INDIA & NER REGIONAL HUB (SALT LAKE – KOLKATA) - with warehouse facility established during 2005 for maintaining stocks of all fast moving UPS systems and accessories to enable NUMERIC to meet increasing customer demands and to reduce the delivery lead time.

SALES & SERVICE LOCATIONS: 45 sales and service centers have been added during the year to the existing 156 centers. This has increased the total number of centers to 201 by the year ended 31st March 2007. This has helped NUMERIC to extend the market reach and to move even more closer to the customers.

NUMERIC – SOCOMEC JOINT VENTURE

The Company entered into a Joint Venture with the French UPS major **SOCOMEK S.A.**, to distribute, market and service the 3 phase range of UPS Systems of > 10 KVA Products (3 phase input / 3 Phase output) manufactured by SOCOMEC S.A. to customers in India and provide all related services thereto. A JVC in the name of SOCOMEC – NUMERIC UPS PRIVATE LIMITED was incorporated for the above mentioned purpose and the Launch of the product and its distribution and service has been successful.

In a very short time the JVC has won many prestigious projects from **CISCO – ORACLE – BMW – NOKIA – GOLDMAN SACHS – FRANKLIN TEMPLETON – YES BANK – YAHOO DATA CENTRE – CTS – HEXAWARE – SIFY – I GATE – LOGICA CMG – HCL TECHNOLOGIES** and many other.



SERVICE SPECIALITIES:

- NUMERIC TECH SUPPORT team is managed by Factory trained engineers and technical personnel making NUMERIC as the most reliable network in India and has been very well recognized by all customers.
- Over 60% of the orders are received from the existing customers a real testimony for customer satisfaction with over 98.5% retention as NUMERIC satisfied Customers.
- NUMERIC products are supported to provide over 99 % uptime – all India average.
- 27 TRC - Test & Repair Centers have been established across the country as part of the vast Service network which leads to faster MTTR / turnaround time.
- An exclusive helpdesk which works 24X7 and supported by Toll free Number for enhanced customer care.

NUMERIC UPS DISTRIBUTION: Our team has been very successful in developing partnership with three major IT Sales & Distribution companies that are highly professional in conducting business. With the support of efficient product management portfolio, we were able to distribute our Off -Line and On-line products through their all India sales network Channel sales grew by over 60% compared to last fiscal. Good number of Off-line UPS Systems was sold through 1800 channel partners spread across 400 towns in India thereby expanding the width of Distribution.

EXTERNAL GROWTH:

The Company has three wholly owned subsidiaries namely:

1. Numeric Lanka Technologies Pvt. Ltd. - Colombo – Sri Lanka
2. Numeric Power Systems Pte. Ltd – Singapore
3. Numeric Power Systems (Mauritius) Private Limited

RANGE OF NUMERIC PRODUCTS:

NUMERIC BRAND:

0 - 2.2 KVA OFF - LINE & LINE INTERACTIVE UPS SYSTEMS
 0 - 6 KVA DIGITAL HP RANGE OF ON - LINE UPS SYSTEMS
 10 - 60 KVA DIGITAL HPE SERIES ON - LINE UPS SYSTEMS
 0 - 3 KVA LINE INTERACTIVE SINE WAVE UPS SYSTEMS
 10 - 4800 KVA ADVANCED TECHNOLOGY UPS -THROUGH JVC
 POWER CONDITIONER ACCESSORIES & SERVO STABILISERS
 ELECTRICAL POWER QUALITY AUDITS & SYSTEM DESIGN

CREATION OF PPG (POWER PRODUCTS GROUP):

RANGE OF SEALED LEAD ACID BATTERIES FROM PANASONIC
 Home Inverter 0.5 & 1.0 KVA