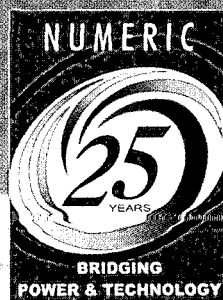


*The ultimate in clean power*

## **Fourteenth Annual Report 2008 - 2009**

Report Junction



# **NUMERIC POWER SYSTEMS LIMITED**



This award is made to  
**NUMERIC POWER SYSTEMS LTD., Chennai.**  
For being adjudged

SD's No. 1 Power Electronic Company of the Year.  
SD's No. 1 Online UPS Manufacturer of the Year.  
SD's No. 1 Line-interactive UPS Manufacturer of the Year.

For the year 2008.

Numeric's HPE & HP Series of Online UPS Systems &  
HP Series of line interactive UPSs have been adjudged  
Best in Product quality & After Sales Service  
in SD's User Satisfaction Survey, 2008.

ISSUED UNDER THE SEAL OF :



  
Dr. S.SAI KRISHNAN  
Editor, SOFTDISK





## NUMERIC POWER SYSTEMS LIMITED

CHAIRMAN	:	Mr. R. VEERAMANI
MANAGING DIRECTOR	:	Mr. R. CHELLAPPAN
DIRECTORS	:	Mr. A. BALAN Mr. K.V. NACHIAPPAN Mr. V.M. SIVASUBRAMANIAM Mr. N. NATARAJAN Mr. B.G. GIRI Mr. R. VENKATARAGHAVAN
COMPANY SECRETARY	:	Mr. S. KRISHNAMURTHY
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, III Floor, 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, Nagabrahma Towers 76, Cathedral Road, Chennai - 600 086.
REGISTERED OFFICE	:	'NUMERIC HOUSE' 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai – 600 004.
FACTORY :		
UNIT I (EHTP DIV)	:	Door No.5/1080, Plot No.154 Industrial Estate, Perungudi, Chennai - 600 096
UNIT II	:	33/1, PIPDIC Industrial Estate Sedarapet, Pondicherry - 605 111
UNIT III S	:	S. No. 58/3, Nachiyur Salem Main Road, Veerappan Palayam P.O. Idappadi - 637 105. Salem District
UNIT IV	:	A-85, VI Cross PIPDIC Industrial Estate, Sedarapet, Pondicherry - 605 111
UNIT V	:	Shiva Building, Sector-2, Village Dangyar, Kasauli Road, Parwanoo – 173220, Dist. Solan, Himachal Pradesh
UNIT VI (Under construction)	:	Plot-17A, Sector-2 Parwanoo-173220, Himachal Pradesh
FABRICATION, TRANSFORMER & STABILIZER PLANT	:	122/1, Old Mahabalipuram Road Semmancherry, Chennai - 600 119



**NUMERIC POWER SYSTEMS LIMITED**

# C O N T E N T S

	<b>PAGE</b>
Director's Report	1
Annexure to the Director's Report	6
CEO and CFO Certification	9
Report on Corporate Governance	10
Corporate Governance Certificate	23
Auditors' Report	24
Balance Sheet	28
Profit & Loss Account	29
Schedules to Accounts	30
Cash Flow Statement	52
Balance Sheet Abstract	53
Section 212 Statement	54
Subsidiary Accounts	55
Auditors Report on Consolidated Accounts	67
Consolidated Accounts	69
Consolidated Cash Flow Statement	87



## DIRECTORS' REPORT

We have great pleasure to thank all the investors who have been with the company all these years and we are very pleased to welcome all the new investors for your good support and being the stakeholders of NUMERIC POWER SYSTEMS LIMITED.

### GROWTH OF THE COMPANY:

Numeric Power witnessed another successful financial year (FY 2008-09) that had given us a respectable growth in hard market days and put us on top among all the Indian UPS companies for one more time. Our Company has achieved a growth of 6% over the previous year on Net sales and other income and the PAT is Rs.3345.85 Lakhs. The EPS for FY 2008 – 2009 is Rs.66/- with a marginal PBT growth.

### FINANCIAL HIGHLIGHTS:

The Abridged Stand-alone financial results are as under: -

(Rs. in Lakhs)

S.No.	Particulars	for the year ended 31/3/2009	for the year ended 31/3/2008
1	SALES/INCOME FROM OPERATIONS	43749.73	41990.51
2	OTHER INCOME	494.51	287.57
3	SALES AND OTHER INCOME (1+2)	44244.24	42278.08
4	LESS: TAXES AND DUTIES	2826.02	3333.97
5	NET SALES AND OTHER INCOME (3-4)	41418.22	38944.11
6	OPERATING EXPENDITURE	36509.95	33472.79
7	PROFIT BEFORE DEPRECIATION, INTEREST & TAX (5-6)	4908.27	5471.32
8	INTEREST	500.56	502.93
9	DEPRECIATION	363.96	323.20
10	EXCEPTIONAL ITEM	643.60	24.74
11	PROFIT BEFORE TAX (7-8-9+10)	4687.35	4669.93
12	TAX EXPENSE	1341.50	625.41
13	PROFIT AFTER TAX (11 -12)	3345.85	4044.52
14	TRANSFER TO GENERAL RESERVE	334.58	404.45
15	PROPOSED FINAL DIVIDEND	252.65	252.65
16	TAX ON DIVIDEND	42.93	42.92
17	BALANCE CARRIED FORWARD (13-14-15-16)	2715.69	3344.50
18	EQUITY CAPITAL	505.29	505.29
19	RESERVES AND SURPLUS	16564.45	13514.20
20	EPS (Rs.)	66	80

### DIVIDEND

The Board of Directors have pleasure in recommending a Dividend of Rs.5/- per equity share (@50% on the equity share capital of the Company), free of tax in the hands of the shareholders, for the year ended 31<sup>st</sup> March 2009, subject to approval of the shareholders.

## NUMERIC POWER SYSTEMS LIMITED

### MANUFACTURING FACILITIES & OFFICE DETAILS IN INDIA:

As you all may be aware, during FY 2008 – 09, there were new additions and reorganization of some of our existing plants / facilities towards optimization of manufacturing to address our future growth. For the benefit of our new and existing shareowners we are very pleased to list below the current status:

UNIT - I EHTP (ELECTRONIC HARDWARE TECHNOLOGY PARK) A 100% EOU registered under the STPI for exports – located in Chennai. The CE mark & UL approved power products are exported to several countries.

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. This plant is under expansion to address a wider range of HPL series.

UNIT III - S (UPS PLANT WITH INTEGRATED CNC SHEET METAL FABRICATION & MAGNETICS): This state-of-the-Art new plant was built during the FY 2007-08 and has been equipped for a high rate of UPS production. This unit also supports the RURAL employment to address the PURA (Providing Urban Resources in Rural Areas) scheme launched by our Past President Prof. Abdul Kalam.

UNIT - IV (UPS PLANT AT PONDICHERRY): Supplies the NUMERIC Digital HPE range of UPS systems.

UNIT – V (UPS PLANT IN HIMACHAL PRADESH - PARWANOO): This plant supports the North India market for supplying Numeric Digital HP and HPE range of UPS Systems.

UNIT - VI (UPS PLANT WITH INTEGRATED CNC FABRICATION FACILITY IN HIMACHAL PRADESH – PARWANOO): This new facility is under construction in the land acquired from HIMUDA under lease and expected to be ready by August / September 2009.

CNC FABRICATION PLANT (CHENNAI – OLD MAHABALIPURAM ROAD): This modernized Sheet metal process plant has two Fabrication process lines with a fully Automated Powder coating facility.

TRANSFORMERS AND STABILISERS 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.

### SALES & SERVICE LOCATIONS:

14 sales and service centers have been added during the year to the existing 214 centers. This has increased the total number of centers to 228 by the year end 31<sup>st</sup> March 2009. This has helped NUMERIC to extend the market reach and to move even more closer to the customers.

### EXTERNAL GROWTH:

1. Numeric Lanka Technologies Pvt. Ltd. - Colombo – Sri Lanka
2. Numeric Power Systems PTE Ltd – Singapore
3. Numeric Power Systems (Mauritius) Private Limited – Mauritius
4. Numeric Power Systems (PTY) Limited – South Africa

### RANGE OF NUMERIC PRODUCTS:

#### NUMERIC BRAND:

- 0.5 - 2 KVA OFF - LINE & LINE INTERACTIVE UPS SYSTEMS
- 1 – 3 KVA LINE INTERACTIVE SINE WAVE UPS SYSTEMS
- 3 – 20 KVA SINE WAVE INVERTERS



0.5 - 3 KVA DIGITAL HP RANGE OF ON - LINE UPS SYSTEMS  
 5 - 60 KVA DIGITAL HPE SERIES ON - LINE UPS SYSTEMS  
 10 - 4800 KVA NUMERIC BRAND ADVANCED TECHNOLOGY UPS  
 POWER CONDITIONER ACCESSORIES & SERVO STABILISERS  
 ELECTRICAL POWER QUALITY AUDITS & SYSTEM DESIGN

### **NUMERIC – INDIA'S No.1 ON – LINE UPS / No.1 OFFLINE / LINE INTERACTIVE, POWER ELECTRONICS MANUFACTURER**

It is our great pleasure to share with all our Investors that our company –NUMERIC has been ranked as No.1 UPS Online UPS Manufacturer, Power Electronic company of the year for the 16<sup>th</sup> year all in a row. **Apart from the above, SD has also awarded us the No.1 Offline / Line Interactive UPS manufacturer for the year 2008**. The journals from the Association of Computer Professionals in India -SOFTDISK made a qualitative research on all India basis and publish the data every year.

### **AWARDS WON**

1. SOFT DISK - SD Awards 2008
  - No.1 On-Line UPS Manufacturer (16th Consecutive Year)
  - No.1 Power Electronic Company of the Year (16th Consecutive Year)
  - No.1 Off-Line /Line-interactive UPS Manufacturer of the year (3rd consecutive Year)
  - A++ Soft Disk rating for USER SATISFACTION SURVEY -2008
2. FROST & SULLIVAN -2005 INDIAN UPS INDUSTRY AWARDS
  - MARKET LEADERSHIP AWARD
3. FROST & SULLIVAN -2004 INDIAN UPS INDUSTRY AWARDS
  - CUSTOMER SERVICE LEADERSHIP -MANUFACTURING SEGMENT
  - PRODUCT LINE LEADERSHIP –BANKING,INSURANCE AND N.B.F.O SEGMENT
4. INTERNATIONAL FACILITY MANAGEMENT ASSOCIATION (IFMA) AWARD FOR EXCELLENCE 2004
  - BEST SERVICE PROVIDER , Category :M & E Suppliers

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors hereby report under Section 217 (2AA) of the Companies Act, 1956, that:-

- (i) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
  - (ii) The directors had 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 at the end of the financial year and of the profit of the company for the year;
  - (iii) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- and
- (iv) The directors have prepared the annual accounts on a going concern basis.

**NUMERIC POWER SYSTEMS LIMITED****DIRECTORS****RE-APPOINTMENT**

Mr. R. Veeramani and Mr. V. Sivasubramaniam retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

**PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956.**

Particulars of Employees drawing remuneration of Rs.24 lakhs and above during the year or Rs.2 lakhs per month for a part of the year, as per Section 217 (2A) of the Companies Act, 1956 and the Rules framed there under :

Sl. No.	Name / Qualification Designation	Age	Date of Commencement	Experience	Total Remuneration (Rs.)	Last Employment
1	R. CHELLAPPAN B.E., I.E.E.E. Managing Director	56	1.5.1995	37 yrs.	60.93 lakhs	Business

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO**

Particulars as required under Section 217(1)(e) of the Companies Act, 1956 read with the (Companies Disclosure of Particulars in the Report of the Board of Directors) Rules, are annexed.

**EXIT FROM JV WITH SOCOMEC**

In order to expand our own market for 3 Phase UPS systems and Solar Power projects the company had decided to take exit from the JV – SOCOMEC NUMERIC UPS PVT LTD by transferring the 50% shares owned by NUMERIC to the other partner SOCOMEC S.A in the month of July 2008.

**CREATION OF WOS – NUMERIC SOLAR ENERGY PVT LTD**

A wholly Owned Subsidiary is being created with a strong focus to develop GREEN ENERGY PRODUCTS that will include the following:

SOLAR POWER CONVERTERS AND PROJECTS

LED LIGHTING SOLUTIONS

**SOLAR ENERGY PROJECTS**

NUMERIC has successfully completed several SPV (Solar Photo Voltaic) projects and started implementing projects in India and beyond. Numeric has created a strong installed base in the following areas of making Solar Power available to every single application:

- Stand alone and Distributed Mini Grid Systems
- Solar Hybrid UPS Systems
- Grid Connected Solar Power Farms





## **EXPLANATORY NOTE ON QUALIFICATION UNDER SECTION 217(3) OF THE COMPANIES ACT, 1956**

The audited financial statements of the subsidiary company namely, Numeric Power Systems Pte. Limited, Singapore, for the year ended March 31, 2009, will form part of the Annual Report.

## **CORPORATE GOVERNANCE**

A report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

A Compliance Certificate from Mr. R. Kannan, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause, is annexed to this report.

## **RESULTS OF SUBSIDIARY COMPANIES**

Information relating to the following subsidiary companies for the year ended March 31, 2009, are attached to this Report.

1. Numeric Lanka Technologies Pvt. Limited, Sri Lanka.
2. Numeric Power Systems Pte. Limited, Singapore.
3. Numeric Power Systems (Mauritius) Private Ltd, Mauritius.
4. Numeric Power Systems (PTY) Ltd, South Africa.

## **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for investments in Associates in consolidated financial statements and AS-27 on Financial Reporting of interests in Joint Ventures, we have attached the consolidated financial statements which form part of the Annual Report and Accounts.

## **AUDITORS**

M/s. S.R. Batliboi & Associates, Chartered Accountants, TPL House, Second Floor, 3, Cenotaph Road, Chennai – 600 018 retire at the ensuing Annual General Meeting, and are eligible for reappointment.

## **ACKNOWLEDGMENT**

Your Board places on record its appreciation of the support and co-operation received from the Government of India, State Governments, Financial Institutions, Banks, Suppliers, Customers and Vendors, whom your company looks upon as valued partners in progress. Your Directors commend the zeal and zest of employees at all levels culminating in the Company setting yet another new record on its operational performance for the year and also wish to thank the shareholders for their continued patronage and confidence reposed in the Management.

For and on behalf of the Board of Directors

Chennai  
29 June 2009

A.BALAN  
Director

R.CHELLAPPAN  
Managing Director

# NUMERIC POWER SYSTEMS LIMITED

## ANNEXURE TO THE DIRECTORS' REPORT

Information under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, FOREIGN EXCHANGE ETC.

A. CONSERVATION OF ENERGY	Introduction of new technology in products sold.	
B. RESEARCH & DEVELOPMENT		
1. Specific areas in which R&D carried out by the Company	:	1. Design and Development of a range of Solar Charge Controllers and Inverters 2. Implementation of RoHS (Restriction of Hazardous Substances in Electrical and Electronic Equipments) Compliance in our products. 3. CE Making-Product Certification for HP and HPE UPS systems from 700VA to 20kVA. 4. Design and Development of Static Stabilizers 5. Numeric is actively engaged in Power Quality Improvement Projects with IIT / Anna University - Madras.
2. Benefits derived as a result of the above R & D.	:	1. Provides most efficient and affordable energy alternatives. Reduces pollution and green house gas emission from local power plants. Combats Global Warming 2. Global Developments towards the trend of regulating restricted substances in Electrical and Electronic Products. 3. Provides product conformity assurance and helps to gain Global Market Access. 4. Reduces the harness, size and manufacturing time. Less Maintenance
3. Future Plan of Action	:	1. Implementation of RoHS Compliances in the entire range of products. 2. EMI / EMC Compliance as per IEC Standards for new version UPS Systems.
4. Expenditure on R & D including inhouse Green Energy Projects	:	Rs. 250 Lakhs
C. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION		
1. Efforts made towards Technology absorption, adaptation and innovation	:	Launch of DSP based UPS systems, with remote monitoring system
2. Benefits derived as a result of the above efforts.	:	Enhanced overall performance by modular approach
3. Technology imported	:	NIL
D. EXTERNAL GROWTH	:	More overseas focus for export promotion.
E. FOREIGN EXCHANGE EARNINGS AND OUTGO :	(Rs. in Lakhs)	(Rs. in Lakhs)
	2008-2009	2007-2008

### Foreign Exchange Earnings:

Export at F.O.B. Value	1221.12	524.89
Commission received	—	13.82
Royalty and Technical Services	12.84	5.24
Sale of Investment	643.60	—
Dividend	27.25	46.96

### Foreign Exchange Outflow :

Import of Machinery & Advance payments.	198.16	48.74
Raw materials	9505.11	8120.79
Stores and spares	127.99	107.21
Traded goods	6787.52	5822.10
Travelling	19.74	10.57
Others	4.39	1.42
Dividend	18.69	18.41