



Fifteenth Annual Report 2009 - 2010



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 2009.

Numeric's Digital HPE I 33 Series of Three Phase,
HPE & HP Series of Single Phase 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, 2009.

ISSUED UNDER THE SEAL OF



DR. S. SAI KISHAN
General Secretary



17th SD AWARDS

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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 Branch 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 Ltd., Mariam Centre Branch, 751-B Anna Salai, Chennai – 600 002 The Hong Kong and Shanghai Banking Corporation Ltd., 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 [EHDP 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 – 637105. 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	:	Plot-17A, Sector-2, Parwanoo-173220. HIMACHAL PRADESH
FABRICATION, HIGH ENERGY DIVISION, TRANSFORMER & STABILIZER PLANT	:	122/1, Old Mahabalipuram Road, Semmancherry, Chennai – 600 119

DIRECTORS' REPORT

We thank all our valuable investors who have been with the company all these years and we are very pleased to welcome all the new investors for their good support and continuing association in NUMERIC POWER SYSTEMS LIMITED.

GROWTH OF THE COMPANY:

Numeric Power marched ahead another successful year (FY 2009-10) witnessing a respectable growth in tough market conditions and put us on top among all the Indian UPS companies for yet another time. Our Company has achieved a growth of 7.58% over the previous financial year on Net sales and other income and the PAT is Rs.3678.63 Lakhs representing a growth of 9.95%. The EPS for FY 2009 – 2010 is Rs.36.40 (i.e. equivalent of Rs.72.80 prior to 1:1 bonus)

FINANCIAL HIGHLIGHTS:

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

(Rs. in Lakhs)

S. No.	Particulars	for the year ended 31/3/2010	for the year ended 31/3/2009
1	SALES/INCOME FROM OPERATIONS	45,751.92	43,749.73
2	OTHER INCOME	776.36	494.51
3	SALES AND OTHER INCOME (1+2)	46,528.28	44,244.24
4	LESS: TAXES AND DUTIES	1,969.12	2,826.02
5	NET SALES AND OTHER INCOME (3-4)	44,559.16	41,418.22
6	OPERATING EXPENDITURE	38,831.71	36,509.95
7	PROFIT BEFORE DEPRECIATION, INTEREST & TAX (5-6)	5,727.45	4,908.27
8	INTEREST	338.95	500.56
9	DEPRECIATION	474.42	363.96
10	EXCEPTIONAL ITEM	0.00	643.60
11	PROFIT BEFORE TAX (7-8-9+10)	4,914.08	4,687.35
12	TAX EXPENSE	1,235.45	1,341.50
13	PROFIT AFTER TAX (11-12)	3,678.63	3,345.85
14	TRANSFER TO GENERAL RESERVE	367.86	334.58
15	PROPOSED FINAL DIVIDEND	303.18	252.65
16	TAX ON DIVIDEND	50.35	42.93
17	BALANCE CARRIED FORWARD (13-14-15-16)	2,957.24	2,715.69
18	EQUITY CAPITAL	1,010.58	505.29
19	RESERVES AND SURPLUS	19,384.26	16,564.45
20	EPS (Rs.)	36.40	33.11

Note : The EPS of the year ended March 2009 is based on the increased paid up capital pursuant to the bonus issue, to make EPS for the current year comparable. The EPS for the year ended March 2009 was Rs. 66.22, based on the capital prior to Bonus issue.

NUMERIC POWER SYSTEMS LIMITED

DIVIDEND

The Board of Directors have pleasure in recommending a Dividend of Rs.3/- per equity share (@ 30 % on the equity share capital of the Company), free of tax in the hands of the shareholders, for the year ended 31st March 2010, subject to approval of the shareholders.

The Board of Directors have recommended the above dividend for the year ended March 31, 2010 on the capital after issue of bonus shares in the proportion of 1(one) new equity share of Rs.10/- each for every 1(one) existing equity share of Rs 10/-each of the Company.

MANUFACTURING FACILITIES & OFFICE DETAILS IN INDIA:

We list below our existing and newly established production facilities.

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 AT IDAPPADI, SALEM): This state-of-the-Art new plant was built during the FY 2007-08 and has been equipped for a higher 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 was commissioned on 16/2/2010 and Commercial production commenced during the Financial year.

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. Fabrication Plant has been expanded to accommodate 3 Phase UPS assembly (HIGH ENERGY DIVISION) at our existing plant located at 122/1, Old Mahabalipuram Road, Chennai – 600 119.

TRANSFORMERS AND STABILISERS MANUFACTURING PLANT (CHENNAI – 122/1 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:

7 Service centers have been added during the year to the existing 228 centers totaling a strong network of 235 locations by 31st March 2010. NUMERIC is the only company with such large network and presence close to 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:

500 VA - 2 KVA OFF - LINE & LINE INTERACTIVE UPS SYSTEMS
 1 – 3 KVA LINE INTERACTIVE SINE WAVE UPS SYSTEMS
 3 – 20 KVA SINE WAVE INVERTERS
 500 VA - 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 RANKING – INDIA'S No.1 ON-LINE UPS COMPANY & POWER ELECTRONICS MANUFACTURER

It is our great pleasure to share with all our Investors that our company – NUMERIC has been ranked as No.1 Online UPS Manufacturer, Power Electronic company of the year for the 17th 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 2009 . 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 2009
 - No.1 On-Line UPS Manufacturer (17th Consecutive Year)
 - No.1 Power Electronic Company of the Year (17th Consecutive Year)
 - No.1 Off-Line /Line-interactive UPS Manufacturer of the year (4th consecutive Year)
 - A++ Soft Disk rating for USER SATISFACTION SURVEY -2009
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.I SEGMENT
4. INTERNATIONAL FACILITY MANAGEMENT ASSOCIATION (IFMA) AWARD FOR EXCELLENCE SURVEY 2004
 - BEST SERVICE PROVIDER, Category: M & E Suppliers
5. Awards from NCR, DELL, WIPRO & INFOSYS.

NUMERIC POWER SYSTEMS LIMITED

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.

DIRECTORS

REAPPOINTMENT

Mr. N. Natarajan and Mr. B.G. Giri retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

At the meeting of Board of Directors of the Company held on 15th April 2010, Mr. R. Chellappan was reappointed as Managing Director for a further period of 5 years from 1st May 2010 to 30th April 2015.

At the meeting of Board of Directors of the Company held on 28th May 2010, Mr. A. Balan and Mr. K. V. Nachiappan were reappointed as Whole-time Directors for a further period of 5 years from 12th September 2010 to 11th September 2015.

The resolutions in respect of the above reappointments are placed before the shareholders for their approval at the ensuing Annual General Meeting.

STATUTORY INFORMATION

The information required under Section 217(2A) of the Act and the Rules made thereunder, is provided in an Annexure forming part of this Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining a copy of the same may write to the Company Secretary.

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.

CREATION OF WOS – NUMERIC SOLAR ENERGY PVT LTD

A wholly Owned Subsidiary was 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 continues to implement SPV (Solar Photo Voltaic) projects in India and abroad including Japan, Kenya, Nigeria etc., Numeric has created a strong installed base in the following areas of making Solar Power available towards the Green Energy movement:

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

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, 2010, 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, 2010, are attached to this Report.

S.No.	Name of subsidiary Company	Place of Incorporation
1.	Numeric Lanka Technologies Pvt. Limited,	Colombo, Sri Lanka.
2.	Numeric Power Systems Pte. Limited,	Singapore.
3.	Numeric Power Systems (Mauritius) Private Ltd,	Mauritius.
4.	Numeric Power Systems (PTY) Ltd,	Johannesburg, South Africa.
5.	Numeric Solar Energy Private Limited,	Chennai, Tamil Nadu, India

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.

NUMERIC POWER SYSTEMS LIMITED

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
28th May 2010

R. CHELLAPPAN
Managing Director

A. BALAN
Director