

BALANCE SHEET AS AT 31ST MARCH 2011

(Rupees in thousands)

Particulars	Schedule	As at 31 st March 2011	As at 31 st March 2010
A. Shareholders' Funds			
Capital	1	62,000	62,000
Reserves & Surplus	2	231,812	231,812
B. Loan Funds			
Unsecured Loans	3	4,233	-
		298,045	293,812
APPLICATION OF FUNDS			
A. Fixed Assets			
Gross Block	4	116,573	116,350
Less: Depreciation		76,682	74,276
Net Block		39,891	42,074
B. Investments			
	5	193,600	210,265
C. Current Assets, Loans & Advances			
Inventories	6	5,479	5,479
Sundry Debtors		12,001	5,796
Cash and Bank Balances		2,491	6,355
Loans and Advances		74,918	77,915
		94,889	95,544
Less: Current Liabilities & Provisions	7		
Current Liabilities		72,801	75,336
Provisions		7,808	7,808
		80,609	83,144
Net Current Assets		14,280	12,400
D. Balance in Profit & Loss Account			
		50,274	29,072
		298,045	293,812
Notes forming part of the Accounts	14		

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rupees in thousands)

Particulars	Schedule	01st April 2010 to 31 st March 2011	01st April 2009 to 31 st March 2010
INCOME			
Sales and Other Operational Income	8	27,289	128,931
Other Income	9	<u>12,633</u>	<u>18,000</u>
		39,922	146,932
EXPENDITURE			
Raw Materials & Components consumed		-	54,389
Employee Expenses	10	17,775	26,433
Interest	11	767	2,949
(Profit)/Loss on Exchange fluctuation - Net		61	2,052
Other Operational Expenses	12	34,597	30,988
Depreciation		2,406	5,442
(Increase)/Decrease in Stocks	13	<u>-</u>	<u>2,230</u>
		55,606	124,483
Profit Before Extraordinary Items & Taxation		(15,684)	<u>22,449</u>
Extra ordinary items			
Settlement of Claims		-	38,902
Sales Tax		<u>5,518</u>	<u>8,861</u>
		5,518	47,763
PROFIT BEFORE TAXATION		(21,202)	<u>(25,314)</u>
- Provision for Taxation		-	-
- Fringe Benefit Tax		-	-
		<u>-</u>	<u>-</u>
PROFIT / (LOSS) AFTER TAXATION		(21,202)	<u>(25,314)</u>
Unappropriated Profit / (Loss) from previous year		(29,072)	(3,758)
Balance in Profit & Loss Account carried to Balance Sheet		(50,274)	<u>(29,072)</u>
Earnings Per Share before Extra Ordinary Items	14 (7)	(2.53)	3.62
Earnings Per Share after Extra Ordinary Items	14 (7)	(3.42)	(4.08)
Notes forming part of the Accounts	14		

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Place: Chennai
Date: 29th August 2011

SCHEDULES FORMING PART OF BALANCE SHEET

(Rupees in thousands)

Particulars	As at 31 st March 2011	As at 31 st March 2010
1 SHARE CAPITAL		
Authorised		
1,00,00,000 (1,00,00,000) Equity Shares of Rs. 10/- each	100,000	100,000
10,00,000 (10,00,000) Redeemable Preference Shares of Rs. 100/- each	100,000	100,000
	<u>200,000</u>	<u>200,000</u>
Issued and Subscribed Capital		
62,00,108 Equity Shares of Rs. 10/- each	62,001	62,001
Paid up Capital		
62,00,000 Equity Shares of Rs. 10/- each fully paid up [of the above 8,00,000 (8,00,000) Equity shares of Rs. 10/- each were issued as fully paid up by way of Bonus Shares]	<u>62,000</u>	<u>62,000</u>
2 RESERVES & SURPLUS		
SECURITIES PREMIUM ACCOUNT		
Balance brought forward	184,000	184,000
GENERAL RESERVE		
Balance brought forward	47,812	47,812
	<u>231,812</u>	<u>231,812</u>
3 UNSECURED LOANS (Refer Note No.2 of Schedule 14)		
Short Term Loans from Bodies Corporate	4,000	-
Interest accrued and due thereon	233	-
	<u>4,233</u>	<u>-</u>
5 INVESTMENTS (At cost)		
LONG TERM		
In Subsidiary Companies :- Non Trade - Unquoted		
Acrastyle Power (India) Limited (Formerly S&S Power Finvest Ltd.) 39,74,950 (39,65,050) equity shares of Rs. 10 each	171,654	171,654
Less: Provision for Diminution in value	<u>17,165</u>	-
S & S Power Switchgear Equipment Limited 5,10,000 (510,000) Equity shares of face value Rs. 10 each of which 4,60,000 shares were allotted at a premium of Rs. 72.85 per equity share	38,611	38,611
Acrastyle EPS Technologies Ltd 50,000 equity shares @10/- each	500	-
	<u>382,419</u>	<u>210,265</u>

(Rupees in thousands)

Fixed Assets	Gross Block				Depreciation				Net Block	
	As on 01/04 2010	Additions during the year	Deletions during the year	As on 31/03/2011	As on 01/04 2010	Additions during the year	Deletions during the year	As on 31/03/2011	As on 01/04/2010	As on 31/03 2011
Tangible Assets										
Land	14,998	-	-	14,998	-	0	-	-	14,998	14,998
Building	38,101	-	-	38,101	15,907	1,272	-	17,179	22,194	20,922
Electrical Installations	3,335	16	-	3,352	2,997	132	-	3,129	338	223
Toolings & Fixtures	104	-	-	104	54	5	-	58	50	45
Furniture & Fittings	8,723	-	-	8,723	7,667	69	-	7,736	1,055	987
Equipment & Appliances	3,817	57	-	3,874	3,169	94	-	3,263	647	611
Vehicles	66	-	-	66	66	-	-	66	0	-
Plant & Machinery	47,207	150	-	47,357	44,416	835	-	45,250	2,792	2,107
Total	116,350	223	-	116,573	74,276	2,406	-	76,682	42,074	39,891
Previous Year	183,759	5,257	72,665	116,350	119,515	5,442	50,682	74,276	64,243	42,074

Aggregate value of Quoted Investments		-	-	
Aggregate value of Unquoted Investments		193,600		210,265
6 CURRENT ASSETS, LOANS & ADVANCES				
A. CURRENT ASSETS				
Inventories				
Raw Materials & Components	1,692		1,692	
Work in progress	3,787		3,787	
Finished Goods	<u>-</u>		<u>-</u>	
		5,479		5,479
Sundry Debtors				
(Unsecured) (Refer Note 5.A of schedule 14, Notes on accounts)				
Debts outstanding for a period exceeding 6 months				
Considered Good	5		5	
Considered Doubtful	85,407		85,924	
Other debts - Considered Good	11,996		5,791	
	<u>97,408</u>		<u>91,719</u>	
Less: Provision for Doubtful Debts	85,407		85,924	
		12,001		5,796
Cash and Bank Balances				
Cash on hand	799		493	
Balance with Scheduled Banks				
-In Current Accounts	48		4,302	
-In Fixed Deposits	1,644		1,560	
	<u>2,491</u>		<u>6,355</u>	
		2,491		6,355
B. LOANS & ADVANCES (Unsecured)				
(Refer note 5.B of schedule 14, Notes on accounts)				
Advances recoverable in cash or in kind or for value to be received				
Considered Good	20,957		20,510	
Considered Doubtful	28,403		26,642	
	49,360		47,152	
Less: Provision for Doubtful Advances	28,403		26,642	
	<u>20,957</u>		<u>20,510</u>	
Loans and advances to subsidiarie		20,957		20,510
Considered good	57,680		55,783	
Considered doubtful	-		-	
	<u>57,680</u>		<u>55,783</u>	
Less: Provision for doubtful loans & advances	5,768		-	
	<u>51,912</u>			55,783
Advance Income tax		2,049		1,622
		<u>74,918</u>		<u>77,915</u>
7 CURRENT LIABILITIES & PROVISIONS				
A CURRENT LIABILITIES				
Sundry Creditors	12,189		15,688	
Advance from Customers	4,416		4,416	
Other Liabilities	56,196		55,233	
	<u>72,801</u>		<u>75,336</u>	
		72,801		75,336

B PROVISIONS

Provision for Taxation	1,314	1,314	
Others	<u>6,494</u>	<u>6,494</u>	
	7,808		7,808
	<u>80,609</u>		<u>83,144</u>

8 GROSS SALES AND OTHER OPERATIONAL INCOME

Sales	-	114,415	
Less: Excise Duty	<u>-</u>	<u>1,485</u>	
	-		112,930
Other Operational Income			
Rendering of Services	18,000		8,250
Lease Rental Income	2,100		5,250
Business Support Services	5,736		-
Sale of Scrap	-	86	
Less: Excise duty	<u>-</u>	<u>17</u>	
	-		69
Recovery of debts written off	1,454		-
Export Incentives	-		2,432
	<u>27,289</u>		<u>128,931</u>

9 OTHER INCOME - Refer Note 8

Interest on loans to subsidiaries	4,147	4,887	
Interest on Bank Deposits (Rs.4261 TDS) (Previous Year Rs.6,147)	89	99	
Interest - Others	2,835	-	
Dividends Other than from subsidiaries	-	132	
Provision No longer required - Debts	517	-	
Provision No Longer required / Reversal of liabilities	5,019	3,302	
Interest on Refund of Taxes	-	6,868	
Miscellaneous Income	<u>26</u>	<u>2,712</u>	
	12,633		18,000

10 Personnel Costs

Salaries, Wages & allowances	13,961	21,056	
Managing Director Salary	2,340	2,340	
Contribution to PF, Gratuity and Other Funds	939	1,859	
Contribution to PF, Gratuity and Other Funds for Managing Director	262	262	
Welfare Expenses	273	916	
	<u>17,775</u>		<u>26,433</u>

11 Finance Charges

Interest on Inter Corporate Loans	343	2,869	
Interest on Bill Discounting	-	80	
Interest - Others	<u>424</u>	<u>-</u>	
	767		2,949

12 Other Operational Expenses

Spares & Consumable Costs	-			1,234
Power and Fuel	-			540
Repairs & Maintenance	53			655
Insurance	-			172
Postage, Telegram & Telephone	508			628
Travelling & Conveyance	1,913			3,960
[[Net of Recoveries Rs.NIL] (Previous Year Rs.NIL)]	-			-
Rent	1,560			1,872
Rates & Taxes	74			115
Printing & Stationery	185			328
Bank Charges	62			195
Internal Audit Fees & Expenses	-			447
Packing Expenses	-			2,413
Contract Expenses	194			1,269
Advertisement & Sales Promotion Expenses	-			765
Sales Tax Payments	-			461
Commission to Product Promoters	-			2,895
Remuneration To Auditors	-			-
- Statutory Audit Fees	100	-	129	-
- Tax Audit Fees	40	-	43	-
- Limited Review and Other Services	190	330	44	216
Provision for doubtful advances	1,986			-
Provision for diminution of value investments/loans	22,933			-
Prior Period Expenses	-			51
Freight & Forwarding Charges	50			-
Research & Development Expenses	-			4,237
Consultancy Charges	1,595			5
Legal Expenses	1,248			3,636
Security Expenses	-			2,660
Stamp Fees	-			217
Service Tax on Business support Service	591			15
Miscellaneous Expenses	1,315			2,002
		34,597		30,988

13 (INCREASE)/DECREASE IN STOCK

Opening Stock of Work in Progress	3,788		13,630	
Opening Stock of Finished Goods	-		-	
		3,788		13,630
Closing Stock of Work in Progress	-		14,249	
Closing Stock of Finished Goods	-		-	
(As on 31.10.2009 for previous reporting period)		-		14,249
Opening Stock of Work in Progress	-		6,636	
Opening Stock of Finished Goods	-		-	
(As on 01.11.2009 for previous reporting period)		-		6,636
Closing Stock of Work in Progress	3,788		3,788	
Closing Stock of Finished Goods				
		3,788		3,788
		-		2,230

SCHEDULE 14

NOTES ON ACCOUNTS

SIGNIFICANT ACCOUNTING POLICIES

The Profit and Loss Account and Balance Sheet are prepared under the historical cost convention and on accrual basis of accounting:

The significant accounting policies followed by the company are:

a. Sales and services

Sales (including Exports) are recognised when products are dispatched, and are recorded at invoice value inclusive of Sales Tax, but exclusive of Excise Duty.

Revenue, in respect of services is accounted for on the basis of services rendered (net of taxes) and billed to clients as per the terms of the specific contract with clients.

b. Fixed Assets

The Fixed Assets have been stated at their Acquisition cost, which comprises of freight, installation cost, duties, taxes and other directly attributable cost of bringing the assets to its working condition for the intended use. Depreciation in respect of buildings, machinery (other than those given on lease) tooling and fixtures and electrical installations is provided for on straight line method and on other assets on written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. For the assets acquired during the period, depreciation has been charged on a pro-rata basis. Individual assets costing Rs.5000 or less are depreciated in full in the year of acquisition.

The assets as at the Balance Sheet date are assessed to ascertain if there be any impairment to the fixed assets and the Profit & Loss Account is debited / credited for any impairment / excess provision for impairment created.

c. Investments

Investments are bifurcated into Long Term and Short Term Investments and Long Term Investments are valued at cost and restated only when there is a permanent diminution in the value of investments. Decline in value other than permanent in nature are not recognized. Short Term Investments are stated at cost or market value, whichever is less.

d. Inventories

Inventory is valued at lower of cost or estimated net realizable value. Cost is determined on monthly Weighted Average basis and includes an appropriate portion of related overheads as per Accounting Standard 2 issued by the Institute of Chartered Accountants of India.

e. Foreign Currency Translations

Income and Expenditure items involving foreign exchange are recorded at exchange rate prevailing on the date of transactions.

All monetary items denominated in foreign currency are restated at the rates prevailing on the Balance sheet date. Exchange differences if any arising out of settlement / restatement of foreign currency balances, are duly reflected in the Profit and Loss Account in the period in which they arise.

This is in accordance with AS 11 – Accounting for the effect of changes in Foreign exchange Rate issued by the ICAI.

f. Retirement Benefits and change in Accounting Estimates:

The company has classified various Employee benefits as 'Defined Contribution Schemes' and 'Defined Benefit Schemes'. Defined Contribution Scheme is the contribution to the Provident Fund and the company provided for Gratuity & Earned Leave Encashment under the Defined Benefit Scheme.

The Provident Fund and the State Defined Contribution Plan are operated by the regional provident fund commissioner. Under the scheme, the company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme. The company charges the contribution payable to the profit and loss account for the period to which the financial statement relates to.

For Defined Benefit Scheme of gratuity the retirement benefit is funded through a scheme administered by LIC of India, the insurer. The contribution payable to the fund is charged to the profit and loss account. Also, the company charges any shortfall between the liabilities as computed by an actuarial valuer as at the balance sheet date and fund available with the insurer as on the Balance Sheet date. The excess contributions, if any is treated as pre paid.

For leave encashment, as a defined benefit scheme, the company charges to profit and loss account liability as computed under the actuarial valuation. The liability is restated as on the Balance sheet date as per the actuarial valuation.

g. Duty paid Imports

Where duty paid imports are used for manufacture of Export / Deemed Export goods, pending receipt of duty free imports to which the Company is entitled to, the element of duty paid is carried forward as an advance in the balance Sheet, to be charged to expenditure when the duty free imports are actually utilized.

h. R&D and Deferred Revenue Expenditure

Subsequent to the introduction of AS 26 on intangible Assets, the company does not defer expenses incurred on creating intangible assets such expenditures beyond the year in which they are incurred, except those relating to testing charges paid to testing laboratories which are amortised over a period of five years.

2. Unsecured Loans

The company had taken unsecured inter-corporate loans from bodies corporate to meet the temporary shortfalls in working capital requirements. The company has repaid all these unsecured loans along with interest thereon subsequent to the date of the Balance Sheet date.

3. Investments

During the reporting period the company invested a sum of Rs.5,00,000 in "Acrastyle EPS Technologies Limited" which is proposed to be a Joint Venture Company with EPS (UK) Limited, UK for which the Company has entered into a Joint Venture Agreement.

4. Fixed Assets

No impairment loss / gain has been considered for the fixed assets of the company as the Net Selling Value as assessed during the previous period has been considered to be significantly higher than the carrying amount in such assets and the company does not consider appropriate for a valuation as at the current Balance Sheet date. This is considered appropriate and on a conservative basis credit for Net Selling Value has not been recognized.

5. Current Assets, Loans & Advances

A. Current Assets

Sundry debtors include the following:

- i. Consequent to an out of court settlement with a customer in Malaysia, a sum of Rs.5,16,594 has been recovered out of a total outstanding of Rs. 3,06,90,570, which had been fully provided for in the previous years, and the balance outstanding is Rs.3,01,73,974 as on the Balance Sheet date. To the extent of the amount recovered under the settlement the provision held on such debt has been reversed. The amount foregone under the settlement would be written off upon receipt of the final installment as stipulated in the settlement and also obtaining prior approval of the Reserve Bank of India. The company has made applications through the authorized dealers seeking approval for the write off consequent to the settlement made.
- ii. An amount of Rs.5,50,62,076, which had been fully provided for during the prior years is receivable from S&S Power Corporation, Malaysia for supplies effected in the past. S&S Power Corporation, Malaysia had been wound up and as a consequence the debt is irrecoverable. The company has made applications to the Reserve Bank of India through the authorized dealers for the write off

the amounts outstanding.

B. Loans & Advances:

Advances recoverable in cash or in kind or for value to be received include:

- i. A sum of Rs.2,58,88,476 (Rs.2,57,43,217) from RPIL Signalling Systems Limited, an erstwhile subsidiary company. Net addition of Rs.1,45,260 (Recovery of Rs.42,98,000 during the previous year) has been made during the year. The outstanding aggregating to Rs.2,57,43,217 had been provided in the earlier years.
- ii. Loans and advances to subsidiaries include loans to Acrastyle Power (India) Limited aggregating as principal outstanding of Rs.4,09,74,268 and interest outstanding of Rs.1,67,05,544 (Rs.1,48,08,770).
- iii. An amount of Rs.5,41,665 being the salary paid to the erstwhile Managing Director of the company during the previous years over and above the limits prescribed under Schedule XIII of The Companies Act, 1956 and not approved by the central government has been grouped under Loans & Advances in the Balance Sheet. Representation with the Department of Company Affairs has been made for the approval, approval for which is expected for the balance amount, as No Objections Certificate as stipulated by the DCA is no longer applicable, the company having settled all the secured creditors.

6. Current Liabilities & Provisions

- i. Sundry creditors include Rs.1,00,14,854 amount payable to a creditor in Malaysia. There has been an out of court settlement and Rs.2,01,007 (Rs.1,94,259) has been paid. The amount foregone under the settlement by the creditor would be written back after the final installment is paid or the amount payable being adjusted against the amount receivable from the same customer and outstanding as a debtor.

Other Liabilities:

- ii. The company, following the principle of prudence, holds Rs.1,72,47,439 (Rs.1,72,47,439) as provision for liability towards non-redemption of advance license, pursuant to orders from the JDGFT. The company has challenged the said orders by way of writ petition in the Madras High Court. Also, the application for merit based redemption of the obligations under the Advance Licences is under the active consideration with the Grievance Redressal Committee of the JDGFT.

7. Earnings per Share

(In Rs.)

	2010-2011	2009-2010
62,00,000 Equity Shares of Rs.10 each	6,20,00,000	6,20,00,000
Net Profit for the period before considering Extraordinary items	(1,56,83,965)	2,24,48,505
Net Profit for the period after considering extraordinary items	(2,12,02,084)	(2,53,14,027)
EPS (Rs.) before considering extraordinary items	(2.53)	3.62
EPS (Rs.) after considering extraordinary items	(3.42)	(4.08)

Managing Director's Remuneration

	2010-2011	2009-2010
Basic Salary	15,60,000	15,60,000
HRA	7,80,000	7,80,000
Contribution to Provident Fund	1,87,200	1,87,200
Gratuity	75,036	75,036
Total	26,02,236	26,02,236

9. Disclosure under Accounting Standard 15 (Revised 2005) 'Employee Benefits'

The company has recognized as expenses for retirement benefits as follows for the year ended 31st March 2011:

Defined Contribution Scheme:

Sl. No	Name of Contribution scheme	2010-2011	2009-2010
1	Provident Fund	8,62,033	4,86,068

Defined Benefit Scheme:

Sl. No	Name of the Benefit Scheme	2010-2011	2009-2010
1	Gratuity	2,62,570	1,92,562
2	Leave Encashment	2,39,504	48,820

10. Additional information pursuant to the provisions of paragraphs 3 & 4 of Part II of Schedule VI to the Companies Act, 1956.

i. Particulars in respect of goods manufactured

Sl. No.	Description	Licensed	Installed	Actual production
		capacity* (Poles)	capacity** (Poles)	For the year ended 31 st March '11
1	Pantograph type and Switching Isolators for EHV System (66kv to 400 kv)	- (5,500)	- (5,500)	Nil (1431)
2	Manufacturer of Electricity distribution & support equipments	5000 -	- -	Nil -

* The Licensed Capacity refers to licenses/acknowledgments of Capacities given by the Government of India.

** As certified by the Management

ii. Particulars in respect of Sales & Stock

Sl. No.	Description	Opening Stock		Sales		Closing stock	
		Qty in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
1.	Switching Isolators for EHV System including Pantograph Type	-	-	Nil	Nil	-	-
		(-)	(-)	(1,431)	(11,29,30,157)	(-)	(-)

* Sales value includes sale of spares. The quantitative details of such sales have not been furnished since these items are heterogeneous in nature.

iii. Break up of material & components consumed

Sl. No.	Description	Unit	2010-2011		2009-2010	
			Qty in Nos.	Value in Rs.	Qty in Nos.	Value in Rs.
1.	Interruptors	Nos.	Nil	Nil	-	-
2.	Insulators	Nos.	Nil	Nil	2393	1,35,52,409
3.	Others*	Nos.	Nil	Nil		4,30,65,828
	Total					5,66,18,237

* In view of the type and nature of the items consumed, it is not practicable to furnish item-wise break-up.

iv. Expenses in the aggregate include:

(In Rs.)

Particulars	2010-2011	2009-2010
Testing, R&D & Marketing Expenditure (Net)	Nil	5,150
Amortisation of Product Validation Expenses	Nil	3,58,235

v. Value of Raw materials and components consumed

(In Rs.)

Description	2010-2011		2009-2010	
	Value	%	Value	%
Imported	Nil	Nil	-	-
Indigenous	Nil	Nil	5,66,18,237	100%
Total	Nil	Nil	5,66,18,237	100%

vi. Spares & Consumables consumed for Rs. Nil (Rs. 12,34,257) is 100% indigenous.

vii. Value of Imports on CIF basis

(In Rs.)

Particulars	2010-2011	2009-2010
Bought Out Components	Nil	Nil
Total	-	-

viii. Expenditure/Payments in foreign exchange (cash basis)

(In Rs.)

Particulars	2010-2011	2009-2010
Foreign travel	52,913	12,73,477
Export Commission	50,66,494	20,93,804
Others	13,87,058	18,56,781

ix. Earnings/receipts in foreign exchange

(In Rs.)

Particulars	2010-2011	2009-2010
FOB Value of Exports	-	9,34,33,099

Includes Rs.Nil. (Rs.21,21,900 to Bangladesh in Indian Rupees)

11. Contingent Liabilities Not Provided for:

- a) The company is contingently liable for Guarantees furnished to the Company's Bankers for Rs.6,06,577 (Rs.6,06,577)
- b) Statutory Claims against Company not acknowledged as debts towards Excise duty liability of Rs.6,42,59,735 disputed and appealing with CESTAT.
- c) The company had during prior years entered into a settlement with the workmen under the provisions of Section 12(3) of the Industrial Disputes Act, 1947. Liability during the previous years had been provided to the extent of the obligation under the settlement.

However, a section of the workmen have challenged the said settlement through a writ petition in the High Court of judicature, Madras, which was dismissed. Against the said dismissal of the writ petition, these workmen had preferred a writ appeal, which had also been disposed with a direction to the State Government to refer the dispute to Industrial Tribunal. Pursuant to an application made by a section of the workers the State Government has referred the dispute for adjudication. The liability, if any, that may arise out of the adjudication is not provided and is not quantifiable.

Further, a writ petition was made by the company to the Honourable High Court of Madras for the removal of the balance unutilized plant & machinery at the Porur works. An order for an ad-hoc deposit of

Rs. 2,00,00,000 over and above the settlement amount worked out in accordance with Section 12(3) of Industrial Disputes Act, 1947 and not taken by a section of the workmen, and proceeds out of the sale of unutilized plant & machinery, as a precondition for removal has been received.

Against the said order the company has preferred a special leave petition in the Honourable Supreme Court.

- d) For the non-redemption of the advance licences as referred to in Note 6 (ii), the consequent interest and penalty in the event of the appeals of the company by way of writ petitions being decided against the company or the application made with the Grievance Redressal Committee being turned down, is indeterminate.
- e) The company had received a notice during the previous period from the 'Office of the Custodian' Banking Division (Dept. of Economic Affairs), Ministry of Finance directing to pay the outstanding dues of Rs.1,34,086 pertaining to Fairgrowth Financial Services Limited along with interest. The company while disputing the amount payable has offered Rs.90,000 as full and final settlement, which is under the claimant's consideration.

12. Related Party Transactions

a. Annexure 1

b. Names of related parties and description of relationship:

Sl.No.	Nature of Relationship	Entities
1.	Subsidiary	1. Acrastyle Power (India) Ltd. 2. S&S Power Switchgear Equipment Ltd. 3. Acrastyle EPS Technologies Limited
2.	Subsidiaries of the Subsidiary	1. Acrastyle Switchgear Ltd., U.K 2. Acrastyle Controls India Private Limited
3.	Key Management Personnel	1. Ashish Jalan 2. Anupam Vaid 3. Deepak chowdhary
4.	Enterprise subject to influence	1. Bombay Gas Co. Ltd. 2. Hamilton & Co. Ltd. 3. Saurabh Industries Ltd. 4. Morvi Industries Ltd. 5. Hamilton Research and Technology Pvt. Ltd. 6. RPIL Signaling Systems Limited
5.	Associated Enterprise	1. Acrastyle Ltd., U.K

13. Deferred Taxation

The deferred tax asset arising out of the accumulated income tax losses and timing differences has not been recognised considering the prolonged uncertainty in the company earning taxable income in the foreseeable future. This is in line with the policy of prudence recommended in the appropriate accounting standard issued by the ICAI.

14. Contravention of Law:

- i. The company has not fulfilled its export obligation in respect of two Advance Licenses availed in earlier years.

15. Undisputed/Disputed liabilities of the company:

The company has provided for the following statutory liabilities, which it has not disputed on the date of the balance sheet and which remain outstanding for over a period of 6 months

Nature of statutory dues	Amount outstanding for more than 6 months from the due date in Rs.
Service Tax Payable	13,90,890
Society Dues	11,99,482
Leave Encashment Payable	2,85,511
Leave Travel Assistance	2,45,437
Bonus	4,51,641
Gratuity	10,38,644
Industrial Licence Fee	53,045

Disputed liabilities provided and pending at various forum

Nature of statutory dues	Amount (Rs)	Forum in which dispute is pending
Sales Tax	21,31,918	Sales Tax Appellate Authority

16. The Company had during the previous period sent letters to its vendors for identifying Micro, Small & Medium enterprises and based on the representations received back from the vendors has completed the identification of Micro, Small & Medium Enterprises. Based on such identification there are no overdue payments and there is no interest payable as per the Micro, Small and Medium Enterprises Development Act, 2006.
17. Certain Sundry Creditors and other liabilities, deposits, loans and advances are subject to confirmation wherever not available.
18. Restatement of outstanding balances with Toprank Corporation, Malaysia and S&S Power Corporation, Malaysia has been fully provided for in the previous periods and hence are not restated for any forex gains / losses. The amounts realized are recognised as and when receipt against the settlements are received and payments made.
19. The company as a matter of prudence provided for Rs.2,29,33,402 for the diminution in the value of investments and doubtfulness on the recovery of loans and interest receivable from its subsidiary Acrastyle Power (India) Limited during the year.
20. Figures for the previous year include a portion of sales, expenses and transactions of the disconnecter manufacturing undertaking which had been hived off w.e.f 01.11.2009. Hence the figures including sales, service revenue and expenses are not comparable with the previous period.

Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatash
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

ANNEXURE - 1
ANNEXURE TO PARA 14 OF NOTES FORMING PART OF ACCOUNTS

(Rupees in Thousands)

	BOMBAY GAS CO LTD	HAMILTON & CO LTD	RPIL SIGNALLING SYSTEMS LTD	ACRASTYLE POWER (INDIA) LIMITED	ACRASTYLE EPS TECHNOLOG IES LTD.,	HAMILTON RESEARCH & TECHN- OLOGY	S&S POWER SWITCHGEAR EQUIPMENT LIMITED	ACRASTYLE CONTROLS INDIA P LTD
A LOAN TAKEN								
BALANCE AS ON 01.04.2010 (Cr.Balance)								
TAKEN DURING THE YEAR	4,000	6,000				7,000		
INTEREST /AMOUNTPAID/ADJUSTMENTS	283	-				-		
REPAID/ADJUSTED	50	6,000				7,000		
BALANCE AS ON 31.03.2011	4,233	-				-		
B. TRADING								
BALANCE AS ON 01.04.2010(Dr.Balance)						0	6,444	
SALES/SERVICES (adjd.agt.exch.fluctuation)						-	91,132	
RECEIPTS						-	90,955	
PAYMENTS/ADJUSTMENTS						-	-	
PURCHASES						-	-	
BALANCE AS ON 31.03.2011						0	6,621	
C. LOANS GIVEN								
BALANCE AS ON 01.04.2010		-	25,743	55,783			-	861
GIVEN DURING THE YEAR			145	4,833	85		15,725	1,952
INTEREST /AMOUNTPAID/ADJUSTMENTS			-	2,936	-		13,725	2,813
INTEREST RECEIVABLE							43	
BALANCE AS ON 31.03.2011	-	-	25,888	57,680	85		2,043	-
INVESTMENTS								
INVESTMENT DURING THE YEAR					500			

Negative figures indicate credit

As per our report of even date

For and on behalf of the Board

For **GSV Associates**
Chartered Accountants
Firm No.006179S

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

CASH FLOW STATEMENT FOR THE PERIOD 1ST APRIL 2010 to 31ST MARCH 2011

(Rupees in thousands)

Particulars	2010-11	2009-10
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit / (Loss) before taxation and Extraordinary items:		
	(15,684)	22,449
Adjustments for:		
Depreciation	2,406	5,442
Foreign exchange (Profit) / Loss	61	2,052
(Profit) / Loss on sale of Fixed Assets		-
(Profit) / Loss on sale of Investments		-
Interest received		(4,986)
Dividend Income		(132)
Interest Paid	767	2,949
Operating Profit before working capital changes	(12,451)	27,774
Adjustments for:		
(Increase) / Decrease in Trade and Other Recievables	(3,270)	57,879
(Increase) / Decrease in Inventories	-	17,949
Increase / (Decrease) in Liabilities	(2,535)	(14,755)
Cash generated from operations before Extraordinary Items	(18,255)	88,847
Extraordinary Items	(5,518)	(47,763)
Net Cash used in Operating Activities	(23,773)	41,084
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(223)	(5,257)
Sale of Fixed Assets	-	21,984
Purchase of Investments	16,666	(38,615)
Sale of Investments	-	1,501
Interest Received	-	4,986
Dividend Received	-	132
Net Cash Flow from Investing Activities	16,443	(15,270)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Increase in Reserve		-
Repayment of Long Term Borrowings		-
Repayment of Short Term Borrowings		(44,416)
Procurement of Short Term Borrowings	4,233	25,500
Interest Paid	(767)	(2,949)
Net Cash Flow from Financing Activities	3,467	(21,865)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,864)	3,950
Cash and Cash equivalents as at 01.4.2010(Op. Bal)	6,355	2,405
Cash and Cash equivalents as at 31.03.2011(Cl. Bal)	2,491	6,355

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

AUDITOR'S CERTIFICATE

We have examined the cash flow statement of S & S Power Switchgear Limited for the period ended 31st March 2011. The statement has been prepared by the company in accordance with the requirements of Clause 32 of the Listing Agreement with the Stock Exchange.

Place: Chennai
Date: 29th August 2011

For **GSV Associates**
M.R.Venkatesh
Partner

STATEMENT PURSUANT TO SECTION 212 (3) OF THE COMPANIES ACT, 1956

Statement of Holding Company's interest in Subsidiary Companies
As at 31st March 2011 the Company has five subsidiaries

1. Name of Subsidiary	APIL	S&SPSE	ASL	AEPS	ACIL
2 Number of Equity Shares held	3,974,950 67%	510,000 51%	1,375,000 67%	50,000 100%	5,00,000 67%
3 Number of Preference Shares	-	-	-	-	-
3 Financial year / period of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
4 The net aggregate amount of Profit / (Losses) of the Subsidiaries as for as it concerns the Holding Company	Amount in Rs. 000's	Amount in Rs. 000's	Amount in Rs. 000's	Amount in Rs. 000's	Amount in Rs. 000's
1. Dealt with in the accounts of S&S Power Switchgear Limited by way of dividend on the shares held in the subsidiaries					
(a) for the subsidiary's current financial year.	-	-	-	-	-
(b) for the previous financial years of the subsidiary since it become the subsidiary of S&S Power Switchgear Limited.	-	-	3	-	-
2. Not dealt with in the accounts of S&S Power Switchgear Limited					
(a) for the subsidiary's current financial year	(21472)	(27,974)	(39,218)	(19)	195
(b) for the previous financial years of the subsidiary since it become the subsidiary of Acrastyle Power (India) Limited	(14,250)	(16,765)	198,249	-	-
5 (a) Change in the Holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the Holding Company's financial year.	-	-	-	-	-
(b) Material changes which have occurred between the end of the financial year of the subsidiary and the end of the Holding Company's financial year in respect					
(i) the subsidiary's fixed assets	-	-	-	-	-
(ii) the investments (Net decrease due to sale)	-	-	-	-	-
(iii) the moneys lent by it - Additional loan given to subsidiary	-	-	-	-	-
(iv) the moneys lent by it for any purpose other than of meeting current liabilities	-	-	-	-	-

The Company holds 100% shares in Acrastyle EPS Technologies Limited (AEPS)

The Company holds 67% shares in Acrastyle Power (India) Limited (APIL)

The Company holds 51% shares in S & S Power Switchgear Equipment Limited (S&SPSE)

Acrastyle Power (India) Limited holds 100% shares in Acrastyle Switchgear Limited. (ASL)

Acrastyle Switchgear Limited holds 100% shares in Acrastyle Controls India Pvt. Limited (ACIL)

As per our report of even date

For **GSV Associates**

Chartered Accountants

Firm No.0061795

M.R.Venkatesh

Partner

M.No. 201407

Place: Chennai

Date: 29th August 2011

S.Shanmuga Priya

Company Secretary

Ashish Jalan

Chairman & Managing Director

Anupam Vaid

Director

For and on behalf of the Board

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

INFORMATION AS REQUIRED UNDER PART IV OF THE SCHEDULE VI OF THE COMPANIES ACT, 1956

1. REGISTRATION DETAILS

Registration No.	6966	State Code	18
Balance Sheet Date	31.03.2011		

2. CAPITAL RAISED DURING THE YEAR (AMOUNT IN Rs. THOUSANDS)

Public issue	Nil	Bonus issue	Nil
Rights issue	Nil	Private Placement	Nil

3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN Rs. THOUSANDS)

Total Liabilities	298,045	Total Assets	298,045
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SOURCES OF FUNDS

Paid up Capital	62,000	Reserves and Surplus	
Secured Loans	-	Unsecured Loans	4,233

APPLICATION OF FUNDS

Net Fixed Assets	39,891		
Net Current Assets	14,280	Investments	193,600
Accumulated Losses	50,274	Misc. Expenditure	-

4. PERFORMANCE OF COMPANY (AMOUNT IN Rs. THOUSANDS)

Turnover	39,923
Profit/(Loss) before Tax	(21,202)
Total Expenditure	61,124
Profit/(Loss) after Tax	(21,202)
Earnings per share in Rs.	(3.42)
Dividend Rate	Nil

5. GENERIC NAMES OF THE PRINCIPAL / SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item code No. (ITC Code)	85.37
Products / Service Description	Breakers

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

**AUDITORS' REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2011**

To the members of S&S Power Switchgear Limited

1. We have audited the attached Consolidated Balance sheet of S&S Power Switchgear Limited and its subsidiaries as at 31st March 2011, the Consolidated Profit and loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information pertaining to the subsidiaries. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance that whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An Audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. a) The financial statements of two subsidiaries have been audited by other auditors, whose reports have been furnished to us. We have relied upon these reports for the purpose of the amounts included in the Consolidated Financial Statements.
- b) The financial statements of one associate company are required to be considered for the purpose of consolidation. The financial statements of the associate company have been audited by other auditors, whose reports have been furnished to us. We have relied upon these reports for the purpose of the amounts considered in respect of the associate company in the Consolidated Financial Statements.
4. We report that the consolidated financial statements have been prepared in accordance with the requirement of Accounting Standard – 21, Consolidated Financial Statements and Accounting Standard -23, Accounting for investment in Associated Enterprises issued by the Institute of Chartered Accountants of India.
5. ***We are unable to express any opinion on the value of Investments aggregating to Rs 3818.41 lacs made in one associated enterprise (Refer Note 19 of Schedule 18 - Notes on Accounts of consolidated financial statements)***
6. Further to our Comments above, we report that, ***the holding Company has not fulfilled its fulfilled its export obligations as disclosed in para 6(ii) of schedule 18 – Notes on accounts, in respect of two advance licenses availed in earlier years. Consequently, we unable to express any opinion on the possible additional levy against the company.***
7. Based on our audit as aforesaid, and on consideration of reports of auditors on the separate financial statements of the subsidiaries and associate companies and that on consolidation the investment and loan to subsidiaries are eliminated upon consolidation, in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements, ***subject to para 5 and 6 above*** give a true and fair view in conformity with the accounting principles generally accepted in India.
- a) In the case of Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March 2011
- b) In the case of the Consolidated Profit and loss Account, of the **LOSS** of the group for the period on that date; and
- c) In the case of Consolidated Cash Flow Statement, of the cash flows of the group for the period ended on that date.

For **GSV Associates**
Chartered Accountants
(Firm Registration No: 006179S)

M.R.Venkatesh
Partner
Membership No: 201407
Place: Chennai
Date: 29th August, 2011

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2011

(in Rupees)

Particulars	Schedule	As at 31 st March 2011	As at 31 st March 2010
I.Sources of Funds			
(1) Shareholders' Funds			
(a) Capital	1	62,121,000	62,075,426
(b) Reserves and Surplus	2	279,867,168	368,920,882
(c) Capital Reserve		-	-
		<u>341,988,168</u>	<u>430,996,308</u>
(2) Minority Interest		151,504,820	60,392,800
(3) Loan Funds			
(a) Secured Loans		-	-
(b) Unsecured Loans	3	42,756,745	15,000,000
(4) Deferred Tax Liability		4,368,889	3,959,661
		<u>540,618,622</u>	<u>510,348,769</u>
II.Application of Funds			
(1) Fixed assets			
(a) Gross Block	4	164,554,470	159,439,664
(b) Less: Depreciation		95,495,206	83,967,214
(c) Net Block		<u>69,059,264</u>	<u>75,472,450</u>
(2) Investments	5	381,976,849	396,966,727
(3) Goodwill		56,306,807	-
(3) Current assets, loans and advances			
(a) Inventories	6	33,149,173	31,556,061
(b) Sundry Debtors	7	75,354,749	40,457,517
(c) Cash and bank balances	8	6,648,994	12,970,105
(d) Loans and advances	9	66,688,614	74,324,406
		<u>181,841,530</u>	<u>159,308,089</u>
Less:			
(a) Current Liabilities	10	137,511,907	110,403,349
(b) Provisions	11	11,125,411	11,102,367
		<u>148,637,318</u>	<u>121,505,716</u>
Net Current Assets		33,204,212	37,802,373
(4) (a) Miscellaneous expenditure to the extent not written off		71,490	107,219
		<u>540,618,622</u>	<u>510,348,769</u>

Notes forming part of financial statements 18

Schedules & notes on accounts are integral part of financial statements

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011
(in Rupees)

Particulars	Schedule	As at 31 st March 2011	As at 31 st March 2010
I. INCOME			
Sales and Other Operational Income	12	223,000,965	168,512,555
Other Income	13	<u>23,357,288</u>	<u>26,735,658</u>
		246,358,253	195,248,213
II. EXPENDITURE			
Raw Materials & Components Consumed		154,607,838	95,369,751
Employee Expenses	14	47,202,249	40,783,129
Interest	15	2,945,245	2,978,854
Other Expenses	16	82,560,801	44,577,448
Depreciation	4	10,260,288	10,719,665
(Increase)/Decrease in Stocks	17	<u>6,517,684</u>	<u>(2,525,865)</u>
		304,094,105	191,902,982
Profit before Extra-ordinary items and taxation		(57,735,852)	3,345,231
Extra ordinary items			
Exchange rate Fluctuation - Net		(6,814,961)	11,801,976
Sales Tax		5,518,119	8,860,997
Settlement of Claims		-	38,901,534
		<u>(1,296,842)</u>	<u>59,564,507</u>
Profit Before Taxation		(56,439,010)	(56,219,276)
Provision for Taxation- Indian		12,610	-
Provision for Taxation- United Kingdom		-	84,188
Deferred Tax- United Kingdom Liability		519,223	-
Fringe Benefit Tax		-	14,830
Profit/(Loss) after Taxation		(56,970,843)	(56,318,294)
Unappropriated Profit/(Loss) from Previous year	122,752,614		179,070,907
Exchange Difference on carry forward of previous year Balances	<u>2,806,857</u>	119,945,757	-
Minority Interest			
Current Year (Loss)/Profit		(33,670,547)	(12,248,250)
Previous Year Accumulated (Loss)/Profit		<u>48,589,985</u>	<u>61,520,872</u>
Balance in Profit & Loss Account carried to Balance Sheet		48,055,475	122,752,614
Earnings per share before extra ordinary items		(9.38)	0.52
Earnings per share before extra ordinary items		(9.17)	(9.05)
Notes on accounts	18		

Schedules & notes on accounts are integral part of financial statements

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: Chennai
Date: 29th August 2011

S&S Power Switchgear Limited, Chennai

#67, Dr Ranga Road, Mylapore, Chennai -600 004.

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS 31ST MARCH 2011

(in Rupees)

	31 st March 2011	31 st March 2010
1. Share Capital		
Authorised		
1,00,00,000[1,00,00,000] Equity Shares of Rs.10- each	100,000,000	100,000,000
10,00,000[10,00,000] Redeemable Preference shares of Rs.100- each	100,000,000	100,000,000
	<u>200,000,000</u>	<u>200,000,000</u>
Issued and Subscribed Capital		
62,00,108 Equity Shares of Rs.10/- each	62,001,080	62,001,080
Paid up Capital		
62,00,000 equity shares of Rs.10/- each fully paid up [of the above 8,00,000 Equity shares of Rs.10/- each were issued as fully paid up by way of Bonus Shares]	62,000,000	62,000,000
Share Application Pending Allotment	121,000	75,426
	<u>62,121,000</u>	<u>62,075,426</u>
2. Reserves and Surplus		
(a) Securities Premium Account	<u>181,695,300</u>	<u>184,000,000</u>
(b) General Reserve		
Balance Brought Forward	47,811,693	47,811,693
Add: Transfer from other Reserves	-	-
Balance in General Reserve	<u>47,811,693</u>	<u>47,811,693</u>
(c) Foreign Currency Translation Reserve	<u>2,304,700</u>	<u>14,356,575</u>
(d) Profit and Loss Account	<u>48,055,475</u>	<u>122,752,614</u>
	<u>279,867,168</u>	<u>368,920,882</u>
3. Unsecured Loans		
Short Term Loans from others	41,400,000	15,000,000
Interest accrued and due	1,356,744	-
	<u>42,756,745</u>	<u>15,000,000</u>

Schedules Forming Part of Balance Sheet
Schedule 4
Fixed Assets

(in Rupees)

Asset	Gross Block			Depreciation				Net Block	
	As on 01/04 2010	Additions during the year	Deletions during the year	As on 31/03/2011	As on 01/04/2010	Additions during the year	Deletions during the year	As on 31/03/2011	As on 31/03/2010
Tangible Assets									
Land	14,997,650	-	-	14,997,650	-	-	-	-	14,997,650
Building	38,306,455	-	-	38,306,455	16,112,508	1,272,322	-	17,384,830	22,193,947
Electrical Installations	6,997,998	16,294	-	7,014,292	3,678,298	611,302	-	4,289,600	3,319,700
Toolings & Fixtures	1,148,151	-	-	1,148,151	113,946	148,759	-	262,705	1,034,205
Furniture & Fittings	9,734,007	-	-	9,734,007	7,940,929	194,494	-	8,135,423	1,793,078
Equipment & Appliances	4,517,820	79,773	-	4,597,593	3,308,526	149,359	-	3,457,885	1,209,294
Vehicles	66,193	-	-	66,193	65,847	346	-	66,193	346
Plant & Machinery	63,637,539	556,530	-	64,194,069	45,533,589	3,083,976	-	48,617,565	18,103,950
Computer	2,130,452	446,700	-	2,577,152	1,383,798	415,949	-	1,799,747	746,654
Intangible Assets									
Product Validation Certificate	3,778,443	1,340,464	-	5,118,907	377,477	1,023,781	-	1,401,258	3,400,966
Goodwill	16,800,000	-	-	16,800,000	6,720,000	3,360,000	-	10,080,000	10,080,000
Total	162,114,709	2,439,761	-	164,554,470	85,234,918	10,260,288	-	95,495,206	76,879,791
Previous Year's Total	202,928,153	27,976,713	71,465,202	159,439,664	123,929,060	10,719,665	50,681,525	83,967,200	75,472,454

Note : Previous year does not include fixed assets of Acrashyte Controls India Private Limited the net block value of Rs.14,07,337 hence previous years are not comparable.

5 : Investments (at Cost)

Long Term-In companies Non-Trade-unquoted Acrastyle Limited, United Kingdom (Including Rs.44,71,42,881 (Rs.41,63,23,192) goodwill of the Investment	381,841,796	396,832,669
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Non - trade - Quoted

(j) Unit Trust of India - UGS 5000 40 units of Rs.10 each	-	
--	---	--

Deutsched Floating Rate Fund (DFRF) -Short term fund - Growth	113,692	113,692
--	----------------	---------

DWS Floating Rate Fund Regular Plan - Weekly Dividend	21,361	20,336
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	<u>381,976,849</u>	<u>396,966,727</u>
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6 : Inventories

Raw Material and Components	21,664,024	15,055,389
Work-in-Progress	11,485,149	16,500,672
Finished Goods	-	-

	<u>33,149,173</u>	<u>31,556,061</u>
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7 : Sundry Debtors

(Unsecured and Considered as good)
Debts outstanding for a period exceeding
6 months

- Considered good	5,044,786	26,120,728
- Considered Doubtful	85,407,069	85,923,663
Other debts - Considered Good	70,309,963	14,336,789

	<u>160,761,818</u>	<u>126,381,180</u>
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Less: Provision for doubtful Debts	85,407,069	85,923,663
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	<u>75,354,749</u>	<u>40,457,517</u>
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8 : Cash and Bank Balances

Cash on Hand	981,982	588,369
Balance with Scheduled Banks		
- In Current Accounts	3,516,612	10,544,424
- In Fixed Deposits	2,150,400	1,837,312

	<u>6,648,994</u>	<u>12,970,105</u>
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9 : Loans and Advances

Advances recoverable in cash or in kind or for value to be received

Considered good	48,223,129	64,582,086
Considered doubtful	28,403,256	26,642,368
	<u>76,626,385</u>	<u>91,224,454</u>
Less: Provision for Doubtful Advances	28,403,256	26,642,368
	<u>48,223,129</u>	<u>64,582,086</u>
Loans and Advances - Others	-	
Advance Income-tax	6,236,540	1,621,541
Deposits with Central Excise	12,228,945	8,120,779
	<u>66,688,614</u>	<u>74,324,406</u>

10 : Current Liabilities

Sundry Creditors	71,763,975	33,056,759
Advance from Customers	8,024,385	4,592,257
Other Liabilities	57,723,547	72,754,333
Interest payable to holding Company	-	-
Accruals & Deferred Income	-	-
	<u>137,511,907</u>	<u>110,403,349</u>

11 : Provisions

Provision for Taxation	4,054,518	4,061,492
Provision for Foreign Taxation	576,893	546,875
Others	6,494,000	6,494,000
	<u>11,125,411</u>	<u>11,102,367</u>

12 : Sales and other Operational Income

Sales	226,144,053	168,200,179
Less: Excise Duty	13,548,538	3,362,298
	<u>212,595,515</u>	<u>164,837,881</u>
Other Operational Income		
Sale of Scrap	1,348,865	325,986
Less: Excise Duty on Scrap	91,714	38,319
	<u>1,257,151</u>	<u>287,667</u>
Rendering of Services	-	-
Lease Rental Income	-	-
Business Support Services	5,735,786	-
Recovery of debts written off	1,453,600	-
Export Incentives	1,958,913	3,387,007
	<u>223,000,965</u>	<u>168,512,555</u>

13 : Other Income

Interest on loan to subsidiaries	-	-
Interest on Bank Deposits	90,605	99,064
Interest Others	7,200,079	1,141,591
Income from Engineering Services	9,132,079	10,785,423
Provision no longer required - Reversal of liabilities	5,019,166	3,301,930
Provision no longer required - Other liabilities	-	-
Provision no longer required - Debts	516,595	-
Miscellaneous Income	35,229	2,926,340
Other Income	1,362,509	-
Dividend Income	1,026	132,966
Interest on Refund of Advance Taxes	-	6,872,162
Interest - Inter-Corporate Loans	-	1,476,182
	23,357,288	26,735,658

14 : Employee Expenses

Salaries, Wages & Allowances	42,084,164	35,318,166
Contribution to EPF, Gratuity and Other Funds	2,796,198	3,850,805
Staff Welfare Expenses	2,321,888	1,614,158
	47,202,249	40,783,129

15 : Interest Expenses

On Debentures	-	-
On Fixed Loans	2,945,245	2,869,704
On Others	-	109,150
	2,945,245	2,978,854

16 : Other Expenses

Consumption of Stores, Tools & Spares	1,259,415	2,135,383
Corporate Shared Services	-	-
Power and Fuel	961,028	923,407
Service / Reconditioning Charges	44,585	-
Repairs & Maintenance	1,339,065	1,546,199
Insurance	47,792	208,460
Postage, Telegram & Telephone	922,360	752,999
Travelling and Conveyance	7,967,051	6,484,118
Rent & Electricity	3,969,069	1,871,873
Rates and Taxes	123,044	505,813
Printing and Stationery	622,091	500,780
Bank Charges	465,381	381,777
Internal Audit Fees	-	656,933
Packing Expenses	3,579,949	3,982,173
Contract Expenses	283,666	1,269,215

Advertisement & Sales Promotion Expenses	394,177	1,557,001
Sales tax Payments	4,981,203	1,350,217
Commission to Product Promoters	2,980,321	3,977,481
Audit Fees	600,540	534,659
Legal Expenses	1,248,162	2,659,990
Service Tax on Business Support Services	590,786	
Bad Debts Written off	36,282	50,618
Investment Written off	35,465,000	
Pre-operative expenses	5,200	-
Provision for Doubtful Advances	1,985,888	
Freight and Forwarding Charges	5,806,891	5,254,149
Research and Development Expenses	367,923	33,992
Security Expenses	633,248	376,166
Consultancy Charges	3,575,993	5,175,276
Stamp Fees	-	44,312
Recruitment Expenses	70,672	
Preliminary Expenses Written off	35,739	35,739
Filing Charges	5,870	10,188
Other Expenses	2,192,411	2,298,530
	<u>82,560,801</u>	<u>44,577,448</u>

17 : (Increase)/ Decrease In Stock

Opening Stock of Work-in-Progress	16,500,872	21,587,979
Opening Stock of Finished Goods		-
	<u>16,500,872</u>	<u>21,587,979</u>
Closing Stock of Work-in-Progress	9,983,188	24,113,844
Closing Stock of Finished Goods		-
	<u>9,983,188</u>	<u>24,113,844</u>
	<u>6,517,684</u>	<u>(2,525,865)</u>

SCHEDULE 18

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS OF S&S POWER SWITCHGEAR LIMITED GROUP FOR THE PERIOD ENDED 31st MARCH 2011.

1. Companies included in Consolidation:

The consolidated financial Statements represent consolidated financial results of the following companies:

Sl. No.	Name of the Company	Place of Incorporation	Holding/ Subsidiary	% of Holding	Year/Period ended
1	S&S Power Switchgear Ltd,	Chennai, India	Holding Company	NA	31 st March 2011
2	Acrastyle Power (India) Ltd.	Chennai, India	Subsidiary Company	67%	31 st March 2011
3	S&S Power Switchgear Equipment Limited	Chennai, India	Subsidiary Company	51%	31 st March 2011
4	Acrastyle Switchgear Limited, United Kingdom	London, UK	Subsidiary of (2) above	67%	31 st March 2011
5	Acrastyle Controls India Private Limited	Chennai, India India	Subsidiary of (4) above	67%	31 st March 2011
6	Acrastyle EPS Technologies Limited	Chennai, India	Subsidiary of (1) above	100%	31 st March 2011

1. Principles and procedures of Consolidation:

- a. In preparing consolidated financial statements, the financial statements of the holding and its subsidiaries have been combined on a line-by-line basis, by adding together like items of assets, liabilities, income and expenses.
- b. Cost to the Holding Company of its investments in each subsidiary and the Holding Company's portion of equity of each subsidiary, at the date of investment in each subsidiary has been eliminated.
- c. Excess of cost to the Holding Company over and above the portion of the equity in each subsidiary on the date of investment in the subsidiary is considered as Goodwill while excess of equity over and above the cost is considered as Capital Reserve.
- d. Investments made by Acrastyle Switchgear Ltd in an Associated foreign company Acrastyle Limited in which it holds 48.73% stake has been valued as per AS 23 using the Equity Method. Accordingly, valuation of investments in the associate company has given rise to Goodwill amounting to Rs.44,71,42,881 (Rs.41,63,23,192)
- e. Inter company balances and intra group transaction have been eliminated in full.

3. SIGNIFICANT ACCOUNTING POLICIES

The Profit and Loss Account and Balance Sheet are prepared under the historical cost convention and on accrual basis of accounting;

The significant accounting policies followed by the holding company are:

a. Sales and services

Sales (including Exports) are recognised when products are dispatched, and are recorded at invoice value inclusive of Sales Tax, but exclusive of Excise Duty.

Revenue, in respect of services is accounted for on the basis of services rendered and billed to clients on the basis of man-days/man-hours spent and as per the terms of the specific contract with clients.

Interests from loans given are recognized on time proportion basis taking into account the amount outstanding and the rate applicable.

Profit from investment with respect to growth fund units are recognized on sale of units.

Dividend income is recognized when the right to receive is established

b. Fixed Assets

The Fixed Assets have been stated at their Acquisition cost, which comprises of freight, installation cost, duties, taxes and other directly attributable cost of bringing the assets to its working condition for the intended use. Depreciation in respect of buildings, machinery (other than those given on lease) tooling and fixtures and electrical installations is provided for on straight line method and on other assets on

written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. For the assets acquired during the period, depreciation has been charged on a pro-rata basis. Individual assets costing Rs.5000 or less are depreciated in full in the year of acquisition.

The assets as at the Balance Sheet date are assessed to ascertain if there be any impairment to the fixed assets and the Profit & Loss Account is debited / credited for any impairment / excess provision for impairment created. This is line with AS 28 - Impairment of Assets.

All costs paid to external agencies for validating / certifying products are capitalized as intangible assets. The intangible asset thus created are amortized over a period of five years. This is line with AS 26 Accounting for Intangible Assets.

Goodwill arising out of the accounting for amalgamation in accordance with Accounting Standards 14, issued by the Institute of Chartered Accountants of India is amortized over a period of 5 years.

c. Investments

Investments are bifurcated into Long Term and Short Term Investments and Long Term Investments are valued at cost and restated only when there is a permanent diminution in the value of investments. Decline in value other than permanent in nature are not recognized. Short Term Investments are stated at cost or market value, whichever is less.

d. Inventories

Inventory is valued at lower of cost or estimated net realizable value. Cost is determined on monthly Weighted Average basis and includes an appropriate portion of related overheads as per Accounting Standard 2 issued by the Institute of Chartered Accountants of India.

e. Foreign Currency Translations

Income and Expenditure items involving foreign exchange are recorded at exchange rate prevailing on the date of transactions.

All monetary items denominated in foreign currency are restated at the rates prevailing on the Balance sheet date. Exchange differences if any arising out of settlement / restatement of foreign currency balances, are duly reflected in the Profit and Loss Account in the period in which they arise.

This is in accordance with AS 11 – Accounting for the effect of changes in Foreign exchange Rate issued by the ICAI.

f. Retirement Benefits and change in Accounting Estimates:

The holding company has classified various Employee benefits as 'Defined Contribution Schemes' and 'Defined Benefit Schemes'. Defined Contribution Scheme is the contribution to the Provident Fund and the holding company provided for Gratuity & Earned Leave Encashment under the Defined Benefit Scheme.

The Provident Fund and the State Defined Contribution Plan are operated by the Regional Provident Fund Commissioner. Under the scheme, the holding company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme. The holding company charges the contribution payable to the profit and loss account for the period to which the financial statement relates to.

For Defined Benefit Scheme of gratuity the retirement benefit is funded through a scheme administered by LIC of India, the insurer. The contribution payable to the fund is charged to the profit and loss account. Also, the holding company charges any shortfall between the liabilities as computed by an actuarial valuer as at the balance sheet date and fund available with the insurer as on the Balance Sheet date. The excess contributions, if any is treated as pre paid.

For leave encashment, as a defined benefit scheme, the holding company charges to profit and loss account liability as computed under the actuarial valuation. The liability is restated as on the Balance sheet date as per the actuarial valuation.

g. Duty paid Imports.

Where duty paid imports are used for manufacture of Export / Deemed Export goods, pending receipt of duty free imports to which the holding Company is entitled to, the element of duty paid is carried forward as an advance in the balance Sheet, to be charged to expenditure when the duty free imports are actually utilized.

h. R&D and Deferred Revenue Expenditure

Subsequent to the introduction of AS 26 on intangible Assets, the holding company does not defer expenses incurred on creating intangible assets such expenditures beyond the year in which they are incurred, except those relating to testing charges paid to testing laboratories which are amortized over a period of five years.

2. Unsecured Loans

The holding company had taken unsecured inter-corporate loans from bodies corporate to meet the temporary shortfalls in working capital requirements.

3. Investments

During the reporting period the holding company has invested a sum of Rs.5,00,000 in "Acrastyle EPS Technologies Limited" which is proposed to be a Joint Venture Company with EPS (UK) Limited, UK for which the holding Company has entered into a Joint Venture Agreement.

A Provision of Rs. 3,54,65,000 for diminution in the value of investment made by the Acrastyle Switchgear Limited, in UK in Acrastyle Limited,UK during the reporting period.

4. Fixed Assets

No impairment loss / gain has been considered for the fixed assets of the holding company as the Net Selling Value as assessed during the previous period has been considered to be significantly higher than the carrying amount in such assets and the holding company does not consider appropriate for a valuation as at the current Balance Sheet date. This is considered appropriate and on a conservative basis credit for Net Selling Value has not been recognized.

5. Current Assets, Loans & Advances

A. Current Assets

Sundry debtors include the following:

- i. Consequent to an out of court settlement with a customer in Malaysia, a sum of Rs.5,16,594 has been recovered out of a total outstanding of Rs. 3,06,90,570, which had been fully provided for in the previous years, and the balance outstanding is Rs.3,01,73,974 as on the Balance Sheet date. To the extent of the amount recovered under the settlement the provision held on such debt has been reversed. The amount foregone under the settlement would be written off upon receipt of the final installment as stipulated in the settlement and also obtaining prior approval of the Reserve Bank of India. The holding company has made applications through the authorized dealers seeking approval for the write off consequent to the settlement made.
- ii. An amount of Rs.5,50,62,076, which had been fully provided for during the prior years is receivable from S&S Power Corporation, Malaysia for supplies effected in the past. S&S Power Corporation, Malaysia had been wound up and as a consequence the debt is irrecoverable. The

holding company has made applications to the Reserve Bank of India through the authorized dealers for the write off the amounts outstanding.

B. Loans & Advances:

Advances recoverable in cash or in kind or for value to be received include:

- i. A sum of Rs.2,58,88,476 (Rs.2,57,43,217) from RPIL Signalling Systems Limited, an erstwhile subsidiary holding company. Net addition of Rs.1,45,260 (Recovery of Rs.42,98,000 during the previous year) has been made during the year. The outstanding aggregating to Rs.2,57,43,217 had been provided in the earlier years.
- ii. An amount of Rs.5,41,665 being the salary paid to the erstwhile Managing Director of the holding company during the previous years over and above the limits prescribed under Schedule XIII of The Companies Act, 1956 and not approved by the central government has been grouped under Loans & Advances in the Balance Sheet. Representation with the Department of Company Affairs has been made for the approval, approval for which is expected for the balance amount, as No Objections Certificate as stipulated by the DCA is no longer applicable, the holding company having settled all the secured creditors.

6. Current Liabilities & Provisions

- i. Sundry creditors include Rs.1,00,14,854 amount payable to a creditor in Malaysia. There has been an out of court settlement and Rs.2,01,007 (Rs.1,94,259) has been paid. The amount foregone under the settlement by the creditor would be written back after the final installment is paid or the amount payable being adjusted against the amount receivable from the same customer and outstanding as a debtor.

Other Liabilities:

- ii. The holding company, following the principle of prudence, holds Rs.1,72,47,439 (Rs.1,72,47,439) as provision for liability towards non-redemption of advance license, pursuant to orders from the JDGFT. The holding company has challenged the said orders by way of writ petition in the Madras High Court. Also, the application for merit based redemption of the obligations under the Advance Licences is under the active consideration with the Grievance Redressal Committee of the JDGFT.

7. Earnings per Share

(In Rs.)

	2010-2011	2009-2010
62,00,000 Equity Shares of Rs.10 each	62,000,000	62,000,000
Net Profit for the period before considering Extraordinary items	(58,267,685)	3,246,213
Net Profit for the period after considering extraordinary items	(56,970,843)	(56,318,294)
EPS (Rs.) before considering extraordinary items	(9.38)	0.52
EPS (Rs.) after considering extraordinary items	(9.17)	(9.05)

8. Managing Director's Remuneration

(In Rs.)

	2010-2011	2009-2010
Basic Salary	15,60,000	15,60,000
HRA	7,80,000	7,80,000
Contribution to Provident Fund	1,87,200	1,87,200
Gratuity	75,036	75,036
Total	26,02,236	26,02,236

9. Disclosure under Accounting Standard 15 (Revised 2005) 'Employee Benefits'

The holding company and its group has recognized as expenses for retirement benefits as follows for the year ended 31st March 2011:

Defined Contribution Scheme:

(In Rs.)

Sl. No	Name of Contribution scheme	2010-2011	2009-2010
1	Provident Fund	21,06,322	10,30,737

Defined Benefit Scheme:

Sl. No	Name of the Benefit Scheme	2010-2011	2009-2010
1	Gratuity	2,19,597	12,89,098
2	Leave Encashment	3,28,135	2,39,006

11. Contingent Liabilities Not Provided for:

- The holding company is contingently liable for Guarantees furnished to the Company's Bankers for Rs.6,06,577 (Rs.6,06,577)
- Statutory Claims against the holding Company not acknowledged as debts towards Excise duty liability of Rs.6,42,59,735 disputed and appeal lying with the CESTAT.
- The holding company had during prior years entered into a settlement with the workmen under the provisions of Section 12(3) of the Industrial Disputes Act, 1947. Liability during the previous years had been provided to the extent of the obligation under the settlement.

However, a section of the workmen have challenged the said settlement through a writ petition in the High Court of judicature, Madras, which was dismissed. Against the said dismissal of the writ petition, these workmen had preferred a writ appeal, which had also been disposed with a direction to the State Government to refer the dispute to Industrial Tribunal. Pursuant to an application made by a section of the workers the State Government has referred the dispute for adjudication. The liability, if any, that may arise out of the adjudication is not provided and is not quantifiable.

Further, a writ petition was made by the holding company to the Honourable High Court of Madras for the removal of the balance unutilized plant & machinery at the Porur works. An order for an ad-hoc deposit of Rs. 2,00,00,000 over and above the settlement amount worked out in accordance with Section 12(3) of Industrial Disputes Act, 1947 and not taken by a section of the workmen, and proceeds out of the sale of unutilized plant & machinery, as a precondition for removal has been received.

Against the said order the holding company has preferred a special leave petition in the Honourable Supreme Court.

- d) For the non-redemption of the advance licences as referred to in Note 6 (ii), the consequent interest and penalty in the event of the appeals of the holding company by way of writ petitions being decided against the company or the application made with the

Grievance Redressal Committee being turned down, is indeterminate.

- e) The holding company had received a notice during the previous period from the 'Office of the Custodian' Banking Division (Dept. of Economic Affairs), Ministry of Finance directing to pay the outstanding dues of Rs.1,34,086 pertaining to Fairgrowth Financial Services Limited along with interest. The holding company while disputing the amount payable has offered Rs.90,000 as full and final settlement, which is under the claimant's consideration.

12. Related Party Transactions

- a. Annexure 1
- b. Names of related parties and description of relationship:

Sl.No.	Nature of Relationship	Entities
1.	Key Management Personnel	1. Ashish Jalan 2. Anupam Vaid 3. Deepak Chowdhary
2.	Enterprise subject to influence	1. Bombay Gas Co. Ltd. 2. Hamilton & Co. Ltd. 3. Saurabh Industries Ltd. 4. Morvi Industries Ltd. 5. Hamilton Research and Technology Pvt. Ltd. 6. RPIL Signaling Systems Limited 7. Acrastyle Controls India Private Limited
3.	Associated Enterprise	1. Acrastyle Ltd., U.K

13. Deferred Taxation

The deferred tax asset arising out of the accumulated income tax losses and timing differences has not been recognised considering the prolonged uncertainty in the holding company earning taxable income in the foreseeable future. This is in line with the policy of prudence recommended in the appropriate accounting standard issued by the ICAI.

Deferred tax UK liability of Rs.5,19,223 has been provided (Previous year provision Rs.84,188) and the balance as on 31st March 2011 for deferred tax,UK stands at Rs.43,68,889(Rs.39,56,666) on

the interest receivable from Acrastyle Switchgear Limited, UK.

14. Contravention of Law:

- i. The holding company has not fulfilled its export obligation in respect of two Advance Licenses availed in earlier years.

15. Undisputed/Disputed liabilities of the holding company:

The holding company has provided for the following statutory liabilities, which it has not disputed on the date of the balance sheet and which remain outstanding for over a period of 6 months

Nature of statutory dues	Amount outstanding for more than 6 months from the due date in Rs.
Service Tax Payable	13,90,890
Society Dues	11,99,482
Leave Encashment Payable	2,85,511
Leave Travel Assistance	2,45,437
Bonus	4,51,641
Gratuity	10,38,644
Industrial Licence Fee	53,045

Nature of statutory dues	Amount (Rs)	Forum in which dispute is pending
Sales Tax	21,31,918	Sales Tax Department

18. Restatement of outstanding balances with Toprank Corporation, Malaysia and S&S Power Corporation, Malaysia has been fully provided for in the previous periods and hence are not restated for any forex gains / losses. The amounts realized are recognised as and when receipt against the settlements are received and payments made.
19. Acrastyle Switchgear Limited, one of the subsidiary companies holds 48.73% controlling interest in Acrastyle Limited, an associated enterprise. The auditors of Acrastyle Switchgear Limited have qualified their Report pointing out to the inadequacy of the provisions held in its books against the investment made in the said associate company. (Refer Para 5 of Audit report of Acrastyle Switchgear Limited)
- In turn, the auditors of Acrastyle Power (India) Limited, the Holding Company of Acrastyle Switchgear Limited, have qualified their report pointing out to the inadequacy of the provisions held in its books against the investment made in the subsidiary company. (Refer Para 4(vi) of Audit report of Acrastyle Power (India) Limited)
- In turn, the auditors of S&S Power Switchgear Limited, the Holding Company of Acrastyle Power (India) Limited, have qualified their report pointing out to the inadequacy of the provisions held in its books against the investment made in the subsidiary company. (Refer Para 4(ii) of Audit report of S&S Power Switchgear Limited)
20. Consequent to acquisition of Acrastyle Controls India Private limited by Acrastyle Switchgear Limited the consolidated financial statements' Previous year figures does not included balances from Acrastyle Controls India Private Limited.
21. Figures for the previous year have been regrouped / reclassified wherever necessary.

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

Place: ChennaiA
Date: 29th August 2011

ANNEXURE - 1

ANNEXURE TO PARA 12 OF NOTES FORMING PART OF CONSOLIDATED ACCOUNTS

(In Rupees)

	BOMBAY GAS CO LTD	HAMILTON & CO LTD	RPIL SIGNALLING SYSTEMS LTD	ACRASTYLE POWER (INDIA) LIMITED	ACRASTYLE EPS TECHNOLOG IES LTD.,	HAMILTON RESEARCH & TECHNO LOGY	S&S POWER SWITCHGEAR EQUIPMENT LIMITED	ACRASTYLE CONTROLS INDIA P LTD
A LOAN TAKEN								
BALANCE AS ON 01.04.2010 (Cr.Balance)								
TAKEN DURING THE YEAR	4,000,000	6,000,000				7,000,000		
INTEREST /AMOUNTPAID/ADJUSTMENTS	283,365					-		
REPAID/ADJUSTED	50,006	6,000,000				7,000,000		
BALANCE AS ON 31.03.2011	4,233,359	-				-		
B. TRADING								
BALANCE AS ON 01.04.2010(Dr.Balance)						400	6,443,513	
SALES/SERVICES (adjd. agt. exch. fluctuation)						-	91,132,227	
RECEIPTS						-	90,954,856	
PAYMENTS/ADJUSTMENTS						-		
PURCHASES						-		
BALANCE AS ON 31.03.2011						400	6,620,884	
C. LOANS GIVEN								
BALANCE AS ON 01.04.2010			25,743,219	55,783,045			-	860,945
GIVEN DURING THE YEAR			145,260	4,832,811	85,310		15,725,000	1,952,297
INTEREST /AMOUNTPAID/ADJUSTMENTS			-	2,936,044	-		13,725,000	2,813,242
INTEREST RECEIVABLE							43,200	-
BALANCE AS ON 31.03.2011	-	-	25,888,479	57,679,812	85,310		2,043,200	-
INVESTMENTS								
INVESTMENT DURING THE YEAR					5,00,000			

Negative figures indicate credit

As per our report of even date
For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407
Place: Chennai
Date: 29th August 2011

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 1ST APRIL 2010 TO 31ST MARCH 2011
(in Rupees)

Particulars	2010-11	2009-10
A. Cash flow from Operating Activities		
Net profit/(Loss) before taxation and Extraordinary Items:-	(22,708,891)	(6,466,158)
<i>Adjustment for:</i>		
Depreciation	10,260,288	10,719,665
Foreign Exchange Fluctuation	(6,814,961)	12,181,796
(Profit)/Loss on sale of Fixed Assets	-	-
Interest Received	(10,627,058)	(4,986,072)
Dividend Income	(1,026)	(132,966)
Interest Paid	8,971,570	7,865,862
Provision for Taxation	(531,833)	(99,018)
Misc. Expenditure written off	35,739	(6,452,336)
 Operating Profit before working capital changes	 <u>(21,416,172)</u>	 <u>12,630,773</u>
<i>Adjustment for:</i>		
(Increase)/Decrease in Trade and Other Receivables	(50,769,351)	(31,976,407)
(Increase)/Decrease in Inventories	1,836,720	17,949,493
Increase/(Decrease) in Liabilities	40,446,250	118,792,486
Cash generated from operations before extraordinary items	(29,902,553)	117,396,345
Extraordinary items	(5,518,119)	(47,762,531)
 Net Cash flow from Operating Activities	 <u>(35,420,672)</u>	 <u>69,633,815</u>
B. Cash flow from Investing Activities		
Purchase of Fixed Assets (including Capital WIP)	(2,439,758)	(29,176,713)
Sale of Fixed Assets	-	21,983,685
Investments (Net of Purchases)	(501,026)	(38,615,704)
(Profit)/Loss on sale of Investments	(3,355,800)	6,488,075
Sale of Investments	-	2,000,440
Interest Received	10,627,058	4,986,072
Dividend Received	1,026	132,966
 Net cash used in Investing Activities	 <u>4,331,500</u>	 <u>(32,201,179)</u>
C. Cash flow from Financing Activities		
Increase in Reserve	-	(85,914,919)
Proceeds from Longterm Borrowings	-	-
Share Capital	424,574	78,782,926
Procurement of Short term Borrowings	25,586,087	(3,004,825)
Foreign Exchange Fluctuation	6,814,961	(9,321,517)
Provision for Taxation	519,223	84,273
Interest Paid	(8,971,570)	(7,865,862)
 Net cash used in Financing Activities	 <u>24,373,275</u>	 <u>(27,239,924)</u>
Net increase in cash and cash equivalents	(6,715,897)	10,192,712
Cash and cash equivalents as at the beginning of the year	13,364,892	2,777,393
Cash and cash equivalents as at the end of the year	<u>6,648,994</u>	<u>12,970,105</u>

Note: Previous year does not include cash balances of Acrastyle Controls India Private Limited, hence balance as at the beginning of the year is different

As per our report of even date

For **GSV Associates**
Chartered Accountants
Firm No.006179S

For and on behalf of the Board

M.R.Venkatesh
Partner
M.No. 201407
Place: Chennai
Date: 29th August 2011

S.Shanmuga Priya
Company Secretary

Ashish Jalan
Chairman & Managing Director

Anupam Vaid
Director

**Statement pursuant to exemption received under Section 212(8)
of the Companies Act, 1956 relating to subsidiary companies**

S No.	Name of the Subsidiary	Reporting Currency	Exchange Rate	Capital	Reserves/ (Loss)	Total Assets	Total Liabilities	Investment other than Investment in Subsidiary	Turn Over	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
1	Acrastyle EPS Technologies Ltd.	INR	NA	500,000	(18,685)	491,315	10,000	-	-	(18,685)	-	(18,685)	-
2	Acrastyle Power (India) Ltd.	INR	NA	59,450,500	98,582,272	241,204,733	83,171,961	-	12,698,599	(20,952,803)	519,223	(21,472,026)	-
3	S&S Power Switchgear Equipment Ltd.	INR	NA	10,000,000	24,468,589	105,025,307	70,556,718	-	141,475,010	(27,973,862)	-	(27,973,862)	-
4	Acrastyle Switchgear Ltd.	GBP	70.93	97,528,750	159,030,947	410,302,459	153,742,761	381,841,796	4,365,245	(39,218,332)	-	(39,218,332)	-
5	Acrastyle Controls India Private Ltd.	INR	NA	5,000,000	(11,667,588)	30,687,608	37,355,196	-	74,336,569	207,954	12,610	195,344	-

Sl. No. 1,2,3,5 are companies incorporated in India
Sl. No. 4 company incorporated in United Kingdom

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