

The ultimate in clean power

**PURE POWER.
PURE PERFORMANCE.**



NUMERIC POWER SYSTEMS LIMITED
Sixteenth Annual Report 2010 - 2011

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Solutions for powerful progress

Numeric, since its inception in 1984, has been on the forefront in offering Total Power Quality Management Solutions. The company has remained as the single largest source for a wide range of Power Conditioning Solutions giving it the numero uno status as India's No.1* UPS Company. Constant innovation, state of the art Research & Development, manufacturing facilities backed by highly qualified professionals has helped the company in achieving global leadership based on integrated value chain and competence in all relevant business processes.

Some of the key milestones in the 26 year long journey of the company include

- Ranked as India's No.1* UPS Company for the 18th Consecutive year by SOFT DISK
- ISO 9001:2008, ISO 14001:2004 and SA 8000:2008 certification.
- Frost & Sullivan Awards for Customer Leadership, Product Leadership & Market Leadership.
- Listing of Numeric Stocks in BSE & NSE after going Public.
- Empanelment with Bureau of Energy Efficiency as an Energy Service Provider.
- Accreditation by MNRE as authorized channel partner for off-grid decentralized solar applications under JNNSM (Jawaharlal Nehru National Solar Mission) scheme.

Numeric's ability to implement small to large scale power management projects with utmost understanding of customer requirements, creating customised solutions has made the Company a trusted partner for Power Management Solutions.

With 13 regional offices, sales, and service network in over 253 locations both in India and Overseas, Numeric is catering to the global demand for power-conditioning products. In doing so, the company has ventured into countries like Singapore, Sri Lanka, and Mauritius through subsidiaries.

Numeric has established itself as the preferred partner for many corporate houses, IT giants, business establishments, financial institutions, government agencies, and thousands of houses across the country.



Registered and Corporate Office, Chennai

* Source Soft Disk

Manufacturing Facilities

Backed by one of the most technologically advanced Research and Development wing, Numeric Power Systems manufacturing facilities hosts the best manufacturing practices and equipment. Continuous innovation by studying the market needs, constant customer feedbacks, and well authenticated quality control measures lay the foundation for creating bench mark products and services for the customers.

Currently there are seven manufacturing units in India and one manufacturing unit in Sri Lanka.



ISO 9001:2000 CERTIFIED
UPS Manufacturing plant, Puducherry



CNC Fabrication Plant in Chennai



Magnetics Division, Chennai (Transformer & Stabilizer Manufacturing Plant)



EHTP, Chennai



UPS Manufacturing plant, Salem



UPS Manufacturing plant, Parwanoo



UPS Manufacturing Plant, Colombo

Products and Services

Numeric Power Systems holds an enviable product portfolio of Power Conditioning Products and Services. NUMERIC's UPS system and power conditioning products conform to International standards such as UL / CE and RoHS.

The Numeric product and services portfolio includes

- 0.5 – 3 kVA Offline and Line Interactive UPS systems
- 0.5 – 60 kVA Online Double Conversion UPS systems (Single and Three phase)
- 10 – 4800 kVA Online Double Conversion UPS systems (Modular and Parallel redundant configurations)
- Source Transfer Switches and Intelligent Power Distribution Units
- Active Harmonic Power Conditioners
- DC Power Supplies / Rectifiers
- 0.5 – 30 kVA Home and Industrial Inverters
- 1 – 2000 kVA Servo Stabilizers and Isolation Transformers
- Special Power Supply racks
- Energy Storage and NUMERIC brand SLA batteries
- Energy Audits and Power Quality Management
- Solar Photovoltaic Solutions ranging from 100 W to Megawatts in off-grid, grid tied and grid interactive range
- Specialised Solar solutions for Banks and ATMs
- Specialised Solar and Wind solution for Telecom applications
- Solar EPC (Engineering Procurement and Construction) Contracts
- Solar O&M (Operation and Maintenance) Services
- Solar Power Converters (Stand-alone, Mini grid and Solar farms)
- Energy Efficient Lighting Products – LED lighting systems



Green Energy Solutions

Numeric Power Systems has recently ventured into offering Green Energy Solutions like Solar Power Systems, Wind Energy Generation and LED lighting systems. The company offers specialised and standardised solar product range to conserve energy under the Renewable Energy Program combined with Energy Efficient LED Lighting Solutions for a wide range of applications.

Numeric has set perfect example of going green by being the first UPS Company to have installed a 1.1 kWp solar power generation system at its Fabrication Plant, Chennai in 1995. In addition to this, NUMERIC has installed about 1 MWp of solar power generation system commissioned successfully for its captive power generation and over 800 installations for many Rural Schools, Banks, ATMs, and other Customer needs.



Product and Solutions

Numeric Solar currently offers the following products and solutions to Clients.

The product range includes

- Solar PV Panels – Thin Film and Crystalline
- MPPT and PWM Solar Charge Controllers ranging from 12 V to 480 V and 5 A to 140 A
- Grid Tied Inverters ranging from 1 kW to 100 kW and higher rating inverter for Solar Energy farms in MW range
- Bi-directional Grid Interactive Inverter ranging from 1 kW to 100 kW
- Energy Storage Batteries 7.2 Ah to 300 Ah (VRLA, Solar Deep Cycle Gel, Tubular)
- Customized Solar Power Conditioning Units as per the load and customer requirements



Amorphous Silicon Panel



Bi-directional Grid Tied Inverter

The Solar Solutions offered by Numeric are

- Stand-alone and mini grid solar power converters
- Hybrid and Grid tied power systems
- Solar energy farms

Energy Efficient lighting products from Numeric Includes

- LED lighting system for office and home applications (Down lights and 2 x 2 lighting)
- LED Street lighting systems
- Solar LED street lighting systems
- LED decorative lighting systems
- Solar LED emergency Lights
- Customized LED Lighting solutions



Solar LED street lights

Solar Photovoltaic (SPV) installations

NUMERIC team's in-depth technical knowhow and expansive service capabilities enables it to provide its customers with high-quality standalone or turnkey solutions, and deliver unparalleled global support. The core principles of flexibility, speed, innovation, reliability, trust, transparency, and accountability has been the growth enablers and has helped develop and nurture long-term relationships with its key stakeholders. There have been implementations of solar projects in India and overseas including Japan, Nigeria, Kenya, etc. In India there have been more than 800 sites in the range 1 kW to 100 kW. With its experience in design, supply and installation of high power systems NUMERIC assures a world class implementation using state-of-the-art SPV products and complete solutions.



10kW Solar Grid installation, Kenya



4kW Standalone Solar installation, Japan



22.4kWp Solar installation at Numeric's Puducherry Plant

With continuous technological innovations, rich expertise, and strong customer centric approach, Numeric's journey in the last 26 years has been a powerful one and will soon set footprints across more countries with its innovative Power Management Solutions.

CORPORATE INFORMATION

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

BANKERS

STATE BANK OF MYSORE

Santhome Branch and Industrial Finance Branch,
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

THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED,

Nagabrahma Towers,
76, Cathedral Road, Chennai - 600 086.

HDFC BANK LTD.,

No.115, Dr. Radhakrishnan Salai
Mylapore, Chennai.

AUDITORS

M/s. S.R. BATLIBOI & ASSOCIATES

Chartered Accountants
TPL House, Second Floor, 3 Cenotaph Road,
Teynampet, Chennai - 600 018.

COMPANY SECRETARY

Mr. B. SRINIVASAN

REGISTERED OFFICE

'NUMERIC HOUSE'

No. 5, Sir P.S. Sivasamy Salai, Mylapore, Chennai – 600 004.

FACTORY

UNIT I [EHTP DIV]

Door No.5/1080, Plot No.154, Industrial Estate, Perungudi, Chennai – 600 096.

UNIT II

33/1, PIPDIC Industrial Estate, Sedarapet, Pondicherry - 605 111.

UNIT III S

S. No.58/3, Nachiyur, Salem Main Road, Veerappan Palayam P.O., Idappadi – 637105, Salem District.

UNIT IV

A-85, VI Cross PIPDIC Industrial Estate, Sedarapet, Pondicherry - 605 111.

UNIT VI

Plot-17A, Sector-2, Parwanoo-173220. Himachal Pradesh.

FABRICATION, HIGH ENERGY DIVISION, TRANSFORMER & STABILIZER PLANT

122/1, Old Mahabalipuram Road, Semmanchery, Chennai – 600 119.

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the Sixteenth Annual Report together with the Audited Accounts for the year ended March 31, 2011.

GROWTH OF THE COMPANY:

During the Year 2010-11, Numeric Power, with a commitment to achieve a sustainable growth, strived hard and marched successfully through the tough market conditions to put the Company on top of all the Indian UPS Companies for another year in succession. Our Company achieved a growth of 10.55% over the previous financial year on sales and other income, while the PAT is ₹4,021.90 lakhs representing a growth of 9.33%. The EPS for the Financial Year 2010-11 is ₹39.80.

Financial Results:

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

(₹ in Lakhs)

Sl.No.	Particulars	for the year ended 31/3/2011	for the year ended 31/3/2010
1	SALES/INCOME FROM OPERATIONS	51,037.97	45,751.92
2	OTHER INCOME	401.10	776.36
3	SALES AND OTHER INCOME (1+2)	51,439.07	46,528.28
4	LESS: TAXES AND DUTIES	2,538.06	1,969.12
5	NET SALES AND OTHER INCOME (3-4)	48,901.01	44,559.16
6	OPERATING EXPENDITURE	42,954.59	38,831.71
7	PROFIT BEFORE DEPRECIATION, INTEREST&TAX (5-6)	5,946.42	5,727.45
8	INTEREST	374.93	338.95
9	DEPRECIATION	489.74	474.42
10	PROFIT BEFORE TAX (7-8-9)	5,081.75	4,914.08
11	TAX EXPENSE	1,059.85	1,235.45
12	PROFIT AFTER TAX (10-11)	4,021.90	3,678.63
13	TRANSFER TO GENERAL RESERVE	402.19	367.86
14	PROPOSED FINAL DIVIDEND	303.18	303.18
15	TAX ON DIVIDEND	49.18	50.35
16	BALANCE CARRIED FORWARD (12-13-14-15)	3,267.35	2,957.24
17	EQUITY CAPITAL	1,010.58	1,010.58
18	RESERVES AND SURPLUS	23,053.80	19,384.26
19	EPS (₹)	39.80	36.40

DIVIDEND

The Board of Directors have pleasure in recommending a Dividend of ₹3/- per equity share of ₹10/- each (@ 30 % on the equity share capital of the Company), free of tax in the hands of the shareholders, for the year ended 31st March 2011, subject to approval of the shareholders.

MANUFACTURING FACILITIES & OFFICE DETAILS IN INDIA:

We list below our existing production facilities.

UNIT - I - ELECTRONIC HARDWARE TECHNOLOGY PARK - EHTP: 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 PUDUCHERRY: Equipped with modern assembly systems and conveyor line, this plant deals with Design, Manufacture, Sales & Service of NUMERIC brand of UPS systems and it also caters to 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 high range 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 of India Dr. A.P.J. Abdul Kalam.

UNIT – IV- UPS PLANT AT PUDUCHERRY: Supplies the NUMERIC Digital HPE range of UPS systems.

UNIT – V – UPS PLANT AT HIMACHAL PRADESH – PARWANOO – This unit stands closed and we have adapted higher technological products for a better market reach.

UNIT – VI- UPS PLANT AT HIMACHAL PRADESH – PARWANOO This plant with integrated CNC fabrication facility caters to Mid range UPS requirements.

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. Expansion of fabrication plant was undertaken to accommodate 3 Phase UPS assembly (HIGH ENERGY DIVISION) at our existing plant.

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:

The Company, fully understanding the fact that successful sale of any product anywhere in the globe depends upon total Customer satisfaction which can only be achieved by addressing the Customers' requirement in the form of Post-Sale service through Customer Service Outlets which are in close proximity to the Customers, the Company has established a strong network of 255 Service Centres on Pan-India basis. Once again NUMERIC is the First and the only Company with such a strong and large net work, with presence close to Customers which gives an added advantage of reducing the lead-time in attending to the Customers' needs.

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

NUMERIC RANKED - 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 NUMERO-UNO Online UPS Manufacturer, Power Electronic company of the year for the 18th year - all in a row. Apart from the above, SOFTDISK(SD) has also awarded us the No.1 Offline / Line Interactive UPS manufacturer for the year 2010. 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 2010

- No.1 On-Line UPS Manufacturer (18th Consecutive Year)
- No.1 Power Electronics Company of the Year (18th Consecutive Year)
- No.1 Off-Line / Line-interactive UPS Manufacturer of the year (5th consecutive Year)
- A++ Soft Disk rating for USER SATISFACTION SURVEY - 2010

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



The ultimate in clean power

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. V.M. Sivasubramaniam and Mr. R. Venkataraghavan, Directors retire by rotation and being eligible, offer themselves for reappointment at the ensuing Annual General Meeting.

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 Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 will be provided on request. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders.

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.

ACQUISITION OF AMEX ALLOYS PRIVATE LIMITED (AMEX)

This Company is situated in Coimbatore and its main activity is Steel Foundry business. This company has an installed capacity of 2400 MT per year to supply stainless steel and low carbon steel castings. In support of the diversification program, our Company has acquired 92% of the equity of this Company during the year under report. This subsidiary has achieved a sales turnover (Gross) of ₹19.68 Crores during the Financial Year 2010-11. Amex exports steel castings to all major European customers, mostly in Germany and some key customers in the US. Amex has drawn a road map to grow the business rapidly.

CLOSURE OF SOUTH AFRICAN OPERATIONS

Numeric Power Systems (Pty) Limited has closed its operations in South Africa and have applied for de-registration formalities with the appropriate authorities during the year under review. The quantum of sales in South Africa is now co-ordinated by the Company's unit at Singapore and Africa's business is handled by established distributors to address the vast geography.

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, 2011, 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, 2011 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) Limited	South Africa
5.	Numeric Solar Energy Private Limited	Chennai, India
6.	Amex Alloys Private Limited	Coimbatore, 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.

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 for 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. Your Directors thank all our valuable investors who have been with the Company all these years and are also very much pleased to welcome all the new Investors and thank them for their continued patronage and confidence reposed in the Management.

For and on behalf of the Board of Directors

A.BALAN
Director

R.CHELLAPPAN
Managing Director

Chennai
May 30, 2011

ANNEXURE TO THE DIRECTORS' REPORT

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

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

A.	CONSERVATION OF ENERGY	1. Implementation of Solar Power projects in all manufacturing facilities to address Renewable Energy and Energy savings from Utility / Generator run time & fuel consumption. 2. New technology to improve power factor and Energy Efficiency in all systems supplied to customers.
B.	RESEARCH & DEVELOPMENT	
1.	Specific areas in which R&D carried out by the Company.	1. Development of Digital Technology based 3 Phase Power Converters, UPS Systems and Inverters. 2. Network Interface / remote monitoring features for UPS systems. 3. Development of range of Inverters / Home UPS. 4. Solar Power Converters. 5. Accreditation to OSHAS standards and initial process towards IMS (Integrated Management System) to address ISO 9001/ ISO 14001 / ISO 18001 together.
2.	Benefits derived as a result of the above.	1. Energy Efficient systems and Affordable energy alternatives. Reduces pollution and green house gas emission from local power plants. Combats Global Warming. 2. Progress made towards OSHAS accreditation and Global Developments towards the trend of regulating restricted substances in Electrical and Electronic Products. 3. Provides product conformity assurance and helps to gain Global Market Access. 4. Reduces the harness, size and manufacturing time. Less Maintenance.
3.	Future Plan of Action	Accreditation to OSHAS standards and initial process towards IMS (Integrated Management System) to address ISO 9001/ ISO 14001 / ISO 18001 together.
4.	Expenditure on R & D	(₹ in Lakhs)
	a) Capital	3.47
	b) Recurring	121.38
	c) Total	124.85
	d) Total R&D expenditure as percentage of total turnover	0.27%
C.	TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION	
1.	Efforts made towards Technology absorption, adaptation and innovation.	1. Development of Digital Technology based 3 Phase Power Converters, UPS Systems and Inverters. 2. Solar Power Converters.
2.	Benefits derived as a result of the above efforts.	Enhanced product range and Imports substitution.
3.	Technology imported	NIL
D.	EXTERNAL GROWTH:	More overseas focus for export promotion.

E.	FOREIGN EXCHANGE EARNINGS AND OUTGO:	(₹ In Lakhs) 2010-2011	(₹ In Lakhs) 2009-2010
	Foreign Exchange Earnings :		
	Export at F.O.B. value	920.98	1182.40
	Royalty and Technical Services	5.11	1.13
	Dividend	-	28.89
	Foreign Exchange Outgo :		
	Import of Machinery & Advance payments	1.42	4.92
	Raw materials	7346.05	8679.50
	Traded goods	8588.16	7140.64
	Travelling	13.55	23.24
	Interest	45.56	30.06
	Dividend	21.15	17.62
	Others	34.43	3.85

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Numeric is continuously monitoring the Risks and Concerns and taking adequate measures to ensure high level stability and satisfactory performance in all the major areas and introducing necessary back-up processes also.

1. ASSET MANAGEMENT & LOSS PREVENTION

Asset management has been achieved by bar-coding the Current and Non-current assets as well as the entire work in progress in all the plants.

Remote monitoring of the logistics results in loss prevention during transit.

2. RISKS AND CONCERNS

NUMERIC continuously monitors business and operations risk through an efficient risk management system. All Key functions and divisions are independently responsible to monitor risks associated within their respective areas of operations such as production, insurance, legal and other issues like health, safety and environment.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Company continuously monitors business and operations risk through an efficient risk management system.

FOREX MANAGEMENT COMMITTEE

The Forex Management committee has been reviewing the day to day forex movements and also has been actively taking the forward contracts with specific underlying transactions as per RBI guidelines.

3. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has proper and effective internal control systems commensurate with its nature of business and size of operations to ensure that all controls and procedures function satisfactorily at all times and all policies are duly complied with in this regard. These are considered adequate to safeguard its assets against loss or misappropriation through unauthorized or unintended use.

There is adequate and effective internal control system that employs periodic checks on on-going process. The Audit Committee and the Board of Directors regularly reviews the effectiveness of Internal control system in order to ensure due and proper implementation and due compliance with applicable laws, accounting standards and regulatory guidelines.

4. HUMAN RESOURCES

Employees are vital and most valuable assets. The Company has a favourable work environment that encourages innovation and motivation. The Management continues to invest in people through various Learning & Development initiatives and believe in nurturing leaders from within us as far as possible and provide opportunities for growth across all levels and derive our ability to maintain our No1 position from them. The total staff strength of the Company as on 31.3.2010 was 1960 which increased to 2369 during the year ended 31.3.2011.

5. NUMERIC WELFARE / SOCIAL ACTIVITIES

NUMERIC is highly committed to its Corporate Social Responsibility and the Company has been certified for SA 8000:2008. NUMERIC sponsors several sports and social welfare activities to derive internal team building. The Company maintains a Trust in the name of NPSL Employees Welfare Trust with a main object of working towards the welfare of the employees.

6. QUALITY AND ENVIRONMENT MANAGEMENT

The Company is certified for ISO 9001:2008 (QMS) and ISO 14001:2004 (EMS) successfully. The Company has an Environmental Policy, which is read every morning in the Public Announcement System along with the Quality Policy so as to make the employees conscious of their roles and responsibilities in achieving conformity with the requirements of the quality and environment management system. The Environmental Policy goes as under:

NUMERIC is committed to minimize the environmental impact of its operations by a fully involved EMS Program, with continual improvement strategies, by:

- Providing Products and Services that are environmentally sound throughout their lifecycle,
- Creating Health & Safety Practices and Work environment,
- Strong practices to protect the Natural Resources like Land, Air, Water and conservation of Energy,
- Complying with all the applicable legal and other requirements and reaching higher standards,
- Setting and tracking measurable environmental objectives to mitigate adverse impacts on Environment,
- Evaluating and continually improving our Environmental performance.

7. FINANCIAL PERFORMANCE

The sales and other Income of the Company registered an increase of 10.55% as compared to the previous year (FY 2009-10) and the profit after tax is ₹4,021.90 lakhs during the current year (FY 2010-11).

The Management Discussion and Analysis relates to the Standalone audited financial statements of the Company.

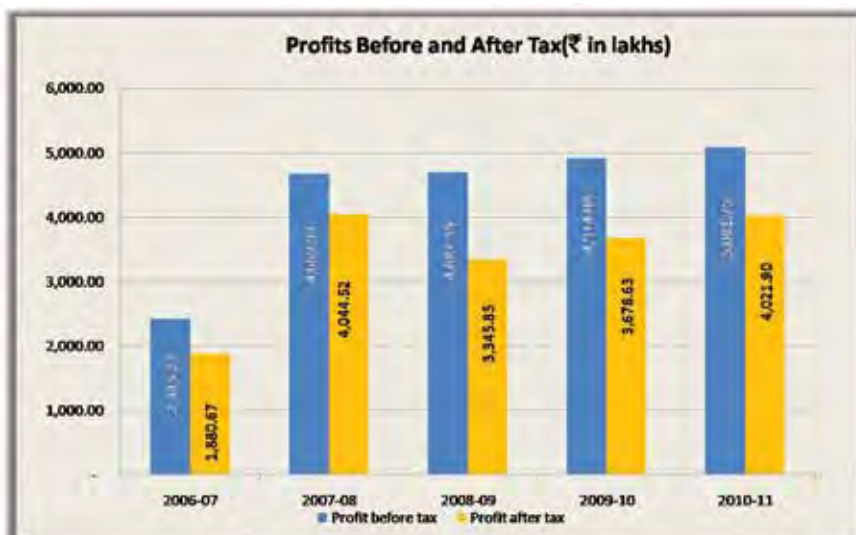
The Table and Graphs below give an overview of the financial results of the Company:

FINANCIAL HIGHLIGHTS OF FIVE YEARS PERFORMANCE (Stand-alone)

₹ in lakhs

S.No.	Particulars	2006-07	2007-08	2008-09	2009-10	2010-11
Profit and Loss Account						
1	Sales / Income from Operations	29,570.71	41,990.51	43,749.73	45,751.92	51,037.97
2	Other Income	354.39	287.57	494.51	776.36	401.10
3	Sales and Other Income (1+2)	29,925.10	42,278.08	44,244.24	46,528.28	51,439.07
4	Less: Taxes and duties	2,344.68	3,333.97	2,826.02	1,969.12	2,538.06
5	Net Sales and Other Income (3-4)	27,580.42	38,944.11	41,418.22	44,559.16	48,901.01
6	Employee Cost	2,063.53	2,783.86	3,565.54	4,108.34	4,641.05
7	Other Operating Expenditure	22,500.30	30,688.93	32,944.41	34,723.37	38,313.54
8	Profit before Depreciation, Interest & Tax (5-6-7)	3,016.59	5,471.32	4,908.27	5,727.45	5,946.42
9	Interest	388.08	502.93	500.56	338.95	374.93
10	Depreciation	213.24	323.20	363.96	474.42	489.74
11	Exceptional Items	0.00	24.74	643.60	0.00	0.00
12	Profit before tax (8-9-10+11)	2,415.27	4,669.93	4,687.35	4,914.08	5,081.75
13	Profit after tax	1,880.67	4,044.52	3,345.85	3,678.63	4,021.90
Balance Sheet						
14	Net Fixed Assets	2,655.70	3,643.65	5,037.62	6,732.07	6,883.36
15	Capital work-in progress including capital advances	221.92	120.03	443.27	199.26	228.54
16	Investments	454.99	737.09	471.25	472.25	1,455.70
17	Net Current Assets	9,116.15	11,614.36	12,334.04	13,914.81	19,980.81
18	Total	12,448.76	16,115.13	18,286.18	21,318.39	28,548.41
19	Share capital	500.00	505.29	505.29	1,010.58	1,010.58
20	Reserves & Surplus	9,660.61	13,514.20	16,564.45	19,384.26	23,053.81
21	Net Worth (19+20)	10,160.61	14,019.49	17,069.74	20,394.84	24,064.39
22	Loan funds	1,882.04	1,670.13	683.42	301.08	3,850.70
23	Deferred Tax Liability	406.11	425.52	533.02	622.47	633.32
24	Total: (21+22+23)	12,448.76	16,115.13	18,286.18	21,318.39	28,548.41
25	EPS ₹*	37.61	80.04	66.22	36.40	39.80

* Note: The EPS for 2009-10 and 2010-11 are based on the increased capital on account of 1:1 Bonus issue.



* The EPS for 2009-10 and 2010-11 are based on the increased capital on account of 1:1 bonus issue.



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8. CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis Report describing the company may be 'Forward Looking Statements' within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Chennai
May 30, 2011

For and on behalf of the Board of Directors

A.BALAN
Director

R.CHELLAPPAN
Managing Director

CEO and CFO CERTIFICATION

(Pursuant to Clause 49 (V) of the Listing Agreement)

Date: 30.05.2011

The Board of Directors
Numeric Power Systems Limited
'Numeric House'
No.5, Sir. P. S. Sivasamy Salai
Mylapore
Chennai – 600 004

Certification by Chief Executive Officer and Chief Financial Officer

We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2011 and to the best of our knowledge and belief we hereby certify that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year April 2010 – March 2011 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of the internal control systems of the Company. Based on our most recent evaluation, no deficiencies in the design or operation of controls were noted.
5. We have indicated to the auditors and the Audit Committee that:
 - (a) There are no significant changes in internal control over financial reporting during the year.
 - (b) There are no significant changes in accounting policies during the year.
 - (c) There have been no instances of fraud.
6. We further declare that all Board Members and Senior Managerial personnel have affirmed compliance with the code of conduct for the current year.

JAYAKAR SAMUEL
Chief Financial Officer

R.CHELLAPPAN
Managing Director

REPORT ON CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement with the Stock Exchanges)

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company upholds the core values of transparency, integrity and accountability in all facets of its operations and maintains the highest standards of Corporate Governance in its conduct towards the shareholders, customers, suppliers and the Government. The Company believes that good Corporate Governance practices enable the Management to direct and control the affairs of the company in an efficient manner and to achieve the goal of maximizing value for all its stakeholders.

2. BOARD OF DIRECTORS

i) Composition and Category of Directors

Executive Directors : 3
Non-Executive Directors : 5

Name of Director	Designation	Category	No. of other Directorship		Committee Memberships in other companies	Committee Chairmanships in other companies
			Pvt. Ltd. Co.	Public Ltd. Co.		
Mr. R. Veeramani	Chairman	Non-Executive	10	9	1	-
Mr. R. Chellappan	Managing Director	Executive	11	1	-	-
Mr. A. Balan	Director	Executive	4	-	-	-
Mr. K.V. Nachiappan	Director	Executive	2	-	-	-
Mr. V.M. Sivasubramaniam	Director	Non-Executive, Independent	-	-	-	-
Mr. N. Natarajan	Director	Non-Executive, Independent	-	-	-	-
Mr. B.G. Giri	Director	Non-Executive, Independent	1	-	-	-
Mr. R. Venkataraghavan	Director	Non-Executive, Independent	-	-	-	-

The composition of the Board is in conformity with the Listing Agreement.

ii) Reappointment of Directors retiring by rotation

Pursuant to Sec. 255 of the Companies Act, 1956, Mr. V.M. Sivasubramaniam, and Mr. R. Venkataraghavan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for reappointment.

Pursuant to Clause 49 IV (G) of the Listing Agreement, a brief resume and names of the companies in which they hold Directorship / Committee membership are given below:

(a) Mr. V.M. Sivasubramaniam was appointed as a Director of the Company at the Fourteenth Annual General Meeting held on 22nd August 2009, whose period of office is liable to retirement of Directors by rotation and will be proposed for reappointment as a Director of the Company.

Profile of Mr. V.M. Sivasubramaniam

Mr. V.M. Sivasubramaniam is 75 years of age, had a distinguished career in Income Tax Department and retired as the Chief Commissioner of Income-tax, Tamil Nadu. He had introduced several public relations based work management systems and computerisation, restructured the work and methods in the Investigation Wing in Bombay and introduced many staff welfare schemes to ensure social justice for employees of weaker sections. Also rendered Military Service in the Indian Navy as INVR Lt. Cdr. during Indo-Pak war of 1971 and won War Service Medals.

Educational qualification : M.A., B.L., AICWA, NCST Diploma in Software Engineering
Directorship and Committee position in other companies : None
Relationship between directors inter-se : None



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(b) **Mr. R. Venkataraghavan** was appointed as a Director of the Company at the Thirteenth Annual General Meeting held on 14th August 2008, whose period of office is liable to retirement of Directors by rotation and will be proposed for reappointment as a Director of the Company.

Profile of Mr. R. Venkataraghavan

Mr. R. Venkataraghavan, is 69 years of age and served erstwhile ICICI Ltd., now ICICI Bank Ltd, for 28 long years (1972-2000), held different positions, was its nominee Director on Madura coats,erstwhile Tata Telecom etc., to name a few, and retired in 2000, as its General Manager. Was practicing as an Advocate in Madras High Court from 1966 to 1972 and after retirement in 2000, came back to the Legal profession, became a partner in a Mumbai Law firm, M/s.Pandya & Poonawala,Advocates and Solicitors,mainly into Real Estate legal matters, and a member of the Maharashtra-Goa Bar Council. Was a Director on Free Press House Ltd., Mumbai.

Educational qualification	:	B.Com.,B.L.
Profession	:	Advocate
Member-	:	Maharashtra-Goa Bar Council
Directorship and Committee position in other companies	:	None
Relationship between directors inter-se	:	None

iii) The number of shares held by Non-executive Directors, as on 31.03.2011 is given below.

Name of Director	Category	Number of shares held
Mr. R. Veeramani	Chairman	2,00,000
Mr. V.M. Sivasubramaniam	Independent Director	200
Mr. N. Natarajan	Independent Director	50
Mr. B.G. Giri	Independent Director	200
Mr. R. Venkataraghavan	Independent Director	20

The Company has not issued any convertible instruments.

iv) Details of Board Meetings:

Board meetings held during the Financial Year 2010-2011
No. of Board meetings held: 12

Date of Meeting			
15.04.2010	28.05.2010	26.06.2010	30.07.2010
03.09.2010	18.09.2010	29.10.2010	24.11.2010
09.12.2010	29.12.2010	29.01.2011	26.02.2011

v) Attendance of Directors at the Board Meetings and last AGM

Name	No. of Board Meetings Attended	Attended Last AGM
Mr. R. Veeramani	9	Yes
Mr. R. Chellappan	12	Yes
Mr. A. Balan	12	Yes
Mr. K.V. Nachiappan	9	Yes
Mr. V.M. Sivasubramaniam	10	Yes
Mr. N. Natarajan	10	Yes
Mr. B.G. Giri	10	Yes
Mr. R. Venkataraghavan	7	Yes

3. DETAILS OF COMMITTEES

(A) AUDIT COMMITTEE

i) Composition of Audit Committee

The Audit Committee comprises of three Non-executive Independent Directors.

- 1) Mr. V.M. Sivasubramaniam
- 2) Mr. N. Natarajan
- 3) Mr. B.G. Giri

Mr. V.M. Sivasubramaniam is the Chairman of the Committee, having financial and accounting knowledge.

ii) Terms of Reference:

The functioning and terms of reference of the Audit Committee are as prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges and they are as under.

- (a) To review financial statements and pre-publication announcements before submission to the Board.
- (b) To ensure compliance of internal control systems and action taken on internal audit reports.
- (c) To apprise the Board on the impact of accounting policies, accounting standards, legislation and Stock Exchange compliance.
- (d) To hold periodical discussions with statutory auditors on the scope and content of the audit.
- (e) To review the Company's financial and risk management policies.
- (f) To review related party transactions of material nature, if any.
- (g) To obtain outside legal or other professional advice.
- (h) To investigate any activity within its terms of reference.

iii) Details of the Audit Committee Meetings

Date of Meeting	No. of members attended	Date of Meeting	No. of members attended
26.05.2010	2	28.05.2010	3
28.07.2010	2	30.07.2010	3
27.10.2010	3	29.10.2010	2
27.01.2011	3	29.01.2011	2

The Audit Committee adheres to the SEBI Guidelines in terms of quorum for its meetings, functioning, role and powers as also set out in the Companies Act, 1956.

(B) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

(i) The Board of Directors had constituted Shareholders'/Investors' Grievance Committee to redress the shareholders'/investors' complaints. The composition of the Committee is as follows:-

1. Mr. V.M. Sivasubramaniam, Director
2. Mr. A. Balan, Director
3. Mr. B. Srinivasan, Company Secretary

Details of Meetings held:

Date of Meeting	No. of members attended	Date of Meeting	No. of members attended
26.05.2010	3	28.07.2010	3
27.10.2010	3	27.01.2011	3

- (ii) Name of non-executive director heading the committee : Mr. V.M. Sivasubramaniam, Director.
- (iii) Name and designation of the compliance officer : Mr. B. Srinivasan, Company Secretary
- (iv) Details of investor complaints received and resolved during the year 2010-2011 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	1	1	0

- (v) The Company had designated an e-mail ID: cg.ird@numericups.com for the purpose of registering complaints by investors.

(C) BORROWING COMMITTEE

The composition of Borrowing Committee is as follows:-

1. Mr. R. Chellappan, Managing Director
2. Mr. A. Balan, Director
3. Mr. K.V. Nachiappan, Director

Details of Meetings held:	
Date of Meeting	No. of members attended
05.01.2011	3

(D) RISK MANAGEMENT COMMITTEE

The composition of the "Risk Management Committee" is as follows:-

1. Mr. R. Chellappan, Managing Director
2. Mr. N. Natarajan, Independent Director,
3. Mr. A. Balan, Director
4. Mr. K.V. Nachiappan, Director

This Risk Management Committee is periodically reviewing the risk assessment and minimization procedures and ensuring that the management controls risk through proper minimization procedure.

4. REMUNERATION TO DIRECTORS

Details of remuneration paid / payable to Directors for the year ended 31st March 2011:

(in Rupees)

Name of Director	Sitting fees	Commission on profits	Salary	Contribution to PF	Perquisites	Total
Mr. R. Veeramani	45,000	-	-	-	-	45,000
Mr. R. Chellappan	-	52,26,317	23,88,750	-	5,01,250	81,16,317
Mr. A. Balan	-	10,00,000	19,65,833	-	4,75,000	34,40,833
Mr. K.V. Nachiappan	-	-	16,64,167	-	4,50,000	21,14,167
Mr. V.M. Sivasubramaniam	1,10,000	-	-	-	-	1,10,000
Mr. N. Natarajan	90,000	-	-	-	-	90,000
Mr. B.G. Giri	70,000	-	-	-	-	70,000
Mr. R. Venkataraghavan	35,000	-	-	-	-	35,000
Total:	3,50,000	62,26,317	60,18,750	-	14,26,250	1,40,21,317

The executive directors are paid remuneration as determined by the Board of Directors and approved by the Shareholders at the General Meetings.

Every Non-Executive Director is paid an amount of ₹5,000/- (Rupees Five Thousand only) as sitting fees per meeting of the Board / Committee.

Pecuniary relationship or transactions of the non-executive directors vis-à-vis the company: Nil

The company has not granted stock options to any director or employee of the company or any other person.

5. CODE OF CONDUCT

The company's Code of Conduct has been complied with by all the members of the Board and senior management of the company.

The declaration signed by the CEO and CFO, affirming compliance with Code of Conduct by all the Board members and Senior Management Personnel, is included in this Annual Report.



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6. DETAILS OF GENERAL MEETINGS

i. Location and time, where last three AGMs held:

Year	Venue	Day & Date	Time
13th AGM – 01.4.2007 to 31.03.2008	Savera Hotel No.146, Dr. Radhakrishnan Road Chennai – 600 004	Thursday, 14th August 2008	11:00 A.M.
14th AGM – 01.04.2008 to 31.03.2009	Savera Hotel No.146, Dr. Radhakrishnan Road Chennai – 600 004	Saturday, 22nd August 2009	11:00 A.M.
15th AGM – 01.04.2009 to 31.03.2010	Deccan Plaza Hotels 36, Royapettah High Road Chennai – 600 014	Saturday, 7th August 2010	11:00 A.M.

ii. Whether any special resolutions were passed in the previous 3 Annual General Meetings: Yes

iii. Whether any special resolution was passed last year through postal ballot – details of voting pattern: Yes

Pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001, the Company has conducted voting through Postal Ballot on the following Special Resolution as set out in the notice to shareholders dated 18th September 2010.

Subject matter of the Special Resolution: Item No.1 : Alteration of the Memorandum of Association of the Company by inclusion of Clauses 6,7,8,9 and 10 in the Main Objects (III)(A) of the Memorandum of Association of the Company.

Details of voting pattern :

Particulars	No. of postal ballot forms	No. of shares	Percentage
(a) Total postal ballot forms received	407	6550258	100.00
(b) Less: Invalid postal ballot forms	11	4484	0.07
(c) Net valid postal ballot forms	396	6545774	99.93
(d) Postal ballot forms with assent for the resolution	394	6545644	99.93
(e) Postal ballot forms with dissent for the Resolution	2	130	0.00

iv. Person who conducted the postal ballot exercise: Mr. S. Annadurai, Commercial Banker (Retired)

v. Whether any special resolution is proposed to be conducted through postal ballot: No

vi. Procedure for postal ballot:

The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year for the resolutions mentioned above.

vii. Dividend History:

S.No.	Financial year	Nature of Dividend	Date of Declaration	Class of shares	Percentage of Dividend declared
1	01.10.1996 - 30.09.1997	Final	20.03.1998	Equity	10
2	01.10.1997 - 30.09.1998	Final	27.03.1999	Equity	10
3	01.10.1998 - 30.09.1999	Final	03.03.2000	Equity	10
4	01.10.1999 - 30.09.2000	Final	10.02.2001	Equity	20
5	01.10.2000 - 30.09.2001	Final	16.02.2002	Equity	15
6	01.10.2001 - 30.09.2002	Final	21.12.2002	Equity	20
7	01.10.2002 - 30.09.2003	Final	29.11.2003	Equity	30
8	01.10.2003 - 31.03.2005 (18 months)	Interim	27.10.2004	Equity	20
	-do-	Final	28.05.2005	Equity	30
9	01.04.2005 - 31.03.2006	Final	08.07.2006	Equity	40
10	01.04.2006 - 31.03.2007	Final	04.08.2007	Equity	45
11	01.04.2007 - 31.03.2008	Final	14.08.2008	Equity	50
12	01-04.2008 - 31.03.2009	Final	22.08.2009	Equity	50
13	01-04.2009 - 31.03.2010	Final	07.08.2010	Equity	30

Pursuant to Section 205C of the Companies Act, 1956, the following unclaimed dividend has been transferred by the Company to the Investor Education and Protection Fund (IEPF) established by the Central Government.

S.No.	Financial year	Date of Declaration	Amount ₹	Date of remittance to IEPF
1	01.10.1996 - 30.9.1997	20.03.1998	5,850	29.04.2005
2	01.10.1997 - 30.9.1998	27.03.1999	6,050	27.04.2006
3	01.10.1998 - 30.9.1999	03.03.2000	7,050	09.04.2007
4	01.10.1999 - 30.9.2000	10.02.2001	13,300	12.03.2008
5	01.10.2000 - 30.9.2001	16.02.2002	10,575	17.03.2009
6	01.10.2001 - 30.9.2002	21.12.2002	15,400	22.01.2010
7	01.10.2002 - 30.9.2003	29.11.2003	21,450	03.01.2011

7. DISCLOSURES

- i. Related party transactions during the year have been disclosed as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India. Details of related party transactions were periodically placed before the Audit Committee. These transactions are not likely to have any conflict with the company's interest.
- ii. In preparation of the financial statements, the company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied have been set out in the Notes to the Accounts.
- iii. Business risk evaluation and managing such risks is an ongoing process within the organization. The Board is regularly briefed of risks assessed and the measures adopted by the company to mitigate the risks.

- vi. Stock Code
 Bombay Stock Exchange Limited : 532051
 National Stock Exchange of India Limited : NUMERICPW

During the last few years, trading in Equity Shares of the Company on the Madras Stock Exchange is negligible. Hence a special resolution was passed by the shareholders at the 15th Annual General Meeting held on 7th August 2010 for voluntary delisting of equity shares of the Company from M/s. Madras Stock Exchange Limited, New No.30 (Old No.11), Second Line Beach, CHENNAI - 600 001. Follow up action is being taken by the Company in this regard.

- vii. a) Market Price Data: High, Low during each month in the last financial year 1.4.2010 - 31.3.2011.

BOMBAY STOCK EXCHANGE LIMITED

Month	High		Low	
	Date	Company's Market price per share (₹)	Date	Company's Market price per share (₹)
April 2010	26-Apr-2010	402.00	15-Apr-2010	318.25
May 2010	3-May-2010	409.95	25-May-2010	326.00
June 2010	30-Jun-2010	352.00	15-Jun-2010	313.00
July 2010	8-Jul-2010	390.00	1-Jul-2010	341.95
August 2010	6-Aug-2010	368.40	31-Aug-2010	318.05
September 2010	17-Sep-2010	350.00	23-Sep-2010	314.00
October 2010	13-Oct-2010	398.70	20-Oct-2010	328.15
November 2010	18-Nov-2010	361.00	26-Nov-2010	290.00
December 2010	3-Dec-2010	323.00	10-Dec-2010	275.00
January 2011	4-Jan-2011	310.00	31-Jan-2011	246.00
February 2011	17-Feb-2011	264.00	24-Feb-2011	205.00
March 2011	31-Mar-2011	264.80	3-Mar-2011	226.05

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

Month	High		Low	
	Date	Company's Market price per share (₹)	Date	Company's Market price per share (₹)
April 2010	26-Apr-2010	402.45	15-Apr-2010	318.00
May 2010	3-May-2010	409.00	26-May-2010	325.50
June 2010	1-Jun-2010	354.00	16-Jun-2010	311.35
July 2010	8-Jul-2010	388.00	2-Jul-2010	332.20
August 2010	5-Aug-2010	367.80	25-Aug-2010	320.00
September 2010	28-Sep-2010	346.50	27-Sep-2010	320.05
October 2010	13-Oct-2010	400.00	12-Oct-2010	326.25
November 2010	2-Nov-2010	364.50	26-Nov-2010	284.00
December 2010	13-Dec-2010	319.90	9-Dec-2010	278.00
January 2011	4-Jan-2011	312.40	31-Jan-2011	232.25
February 2011	4-Feb-2011	273.00	10-Feb-2011	215.00
March 2011	31-Mar-2011	261.80	16-Mar-2011	227.00

b) Performance in comparison to BSE Sensex and NSE Nifty (Every month end):

Date	BOMBAY STOCK EXCHANGE LIMITED		NATIONAL STOCK EXCHANGE OF INDIA LIMITED	
	Company's Market Price (Close) per share ₹	Sensex points (Close)	Company's Market Price (Close) per share ₹	Nifty points (Close)
30-Apr-2010	379.75	17,558.71	380.25	5,278.00
31-May-2010	331.75	16,944.63	329.40	5,086.30
30-Jun-2010	349.45	17,700.90	347.00	5,312.50
30-Jul-2010	357.00	17,868.29	354.70	5,367.60
31-Aug-2010	322.00	17,971.12	326.15	5,402.40
30-Sep-2010	336.15	20,069.12	337.15	6,029.95
29-Oct-2010	355.25	20,032.34	358.95	6,017.70
30-Nov-2010	309.95	19,521.25	306.30	5,862.70
31-Dec-2010	303.40	20,509.09	303.05	6,134.50
31-Jan-2011	249.05	18,327.76	251.05	5,505.90
28-Feb-2011	235.25	17,823.40	237.00	5,333.25
31-Mar-2011	250.10	19,445.22	249.65	5,833.75

viii. Registrar and Transfer Agents: M/s. Cameo Corporate Services Limited,
"Subramanian Building", Fifth Floor,
No.1, Club House Road, Chennai – 600 002.

ix. Share transfer system:

The share transfer work is being handled by Company's Registrars & Transfer Agents, M/s. Cameo Corporate Services Limited. The Company has established connectivity with the depositories, namely, National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai. The Company has a Share Transfer Committee comprising of the following members:

1) Mr. A.Balan, Director 2) Mr. K.V. Nachiappan, Director 3) Mr. B. Srinivasan, Company Secretary

The transfers are approved by the Share transfer Committee and ratified by the Shareholders'/Investors' Grievance Committee and minutes are placed at the Board Meeting. Share transfers are registered and despatched within a period of 30 days from the date of receipt if the documents are correct and valid in all respects.

x. a) Distribution of Shareholding as on 31.03.2011

Shareholding of nominal value of ₹	No. of shareholders						Share Amount (₹)					
	Physical	%	Demat	%	Total	%	Physical	%	Demat	%	Total	%
10 - 5,000	219	2.39	8,164	89.23	8,383	91.62	5,06,830	0.50	86,54,370	8.56	91,61,200	9.06
5,001 - 10,000	29	0.32	384	4.20	413	4.52	2,28,000	0.23	28,89,800	2.86	31,17,800	3.09
10,001 - 20,000	9	0.10	153	1.67	162	1.77	1,57,000	0.16	22,89,480	2.27	24,46,480	2.43
20,001 - 30,000	1	0.01	49	0.54	50	0.55	24,000	0.02	12,36,510	1.22	12,60,510	1.24
30,001 - 40,000	4	0.04	26	0.28	30	0.32	1,54,000	0.15	9,39,330	0.93	10,93,330	1.08
40,001 - 50,000	2	0.02	9	0.10	11	0.12	92,000	0.09	4,22,660	0.42	5,14,660	0.51
50,001 - 1,00,000	9	0.10	29	0.32	38	0.42	5,88,560	0.58	21,04,250	2.08	26,92,810	2.66
1,00,001 and above	10	0.11	52	0.57	62	0.68	46,08,000	4.56	7,61,63,610	75.37	8,07,71,610	79.93
Total:	283	3.09	8,866	96.91	9,149	100.00	63,58,390	6.29	9,47,00,010	93.71	10,10,58,400	100.00

b) Shareholding pattern as on 31.03.2011.

Class of security : Equity Shares of ₹10/- each (The Company had issued only one class of security)

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group							
(1)	Indian							
(a)	Individuals/ Hindu Undivided Family	19	5574534	5476678	55.16	55.16	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	30	0	0.00	0.00	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(1)	20	5574564	5476678	55.16	55.16	0	0.00
(2)	Foreign							
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	18	810778	810778	8.02	8.02	0	0.00
(b)	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
(c)	Institutions	0	0	0	0.00	0.00	0	0.00
(d)	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total(A)(2)	18	810778	810778	8.02	8.02	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	38	6385342	6287456	63.18	63.18	0	0.00
(B)	Public shareholding							
(1)	Institutions							
(a)	Mutual Funds/ UTI	2	496888	496888	4.92	4.92	NA	NA
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	NA	NA
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	NA	NA
(d)	Venture Capital Funds	0	0	0	0.00	0.00	NA	NA
(e)	Insurance Companies	0	0	0	0.00	0.00	NA	NA
(f)	Foreign Institutional Investors	2	247223	247223	2.45	2.45	NA	NA
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	NA	NA
(h)	Any Other (specify)	0	0	0	0.00	0.00	NA	NA
	Sub-Total (B)(1)	4	744111	744111	7.36	7.36	NA	NA

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(2)	Non Institutions							
(a)	Bodies Corporate	294	392060	390860	3.88	3.88	NA	NA
(b)	Individuals						NA	NA
i.	Individual shareholders holding nominal share capital up to ₹1 lakh	8332	1633135	1466383	16.16	16.16	NA	NA
ii.	Individual shareholders holding nominal share capital in excess of ₹1 lakh.	20	661614	409214	6.55	6.55	NA	NA
(c)	Any Other (specify)							
(c-i)	Clearing Members	23	1549	1549	0.02	0.02	NA	NA
(c-ii)	Directors and their relatives	4	470	470	0.00	0.00	NA	NA
(c-iii)	Hindu Undivided Families	244	52542	52541	0.52	0.52	NA	NA
(c-iv)	Non Resident Indians	188	107910	107910	1.07	1.07	NA	NA
(c-v)	Trusts	2	127107	9507	1.26	1.26	NA	NA
	Sub-Total (B)(2)	9107	2976387	2438434	29.45	29.45	NA	NA
Total Public Shareholding (B)= (B)(1)+(B)(2)		9111	3720498	3182545	36.82	36.82	NA	NA
TOTAL (A)+(B)		9149	10105840	9470001	100.00	100.00	0	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued				NA		NA	NA
(1)	Promoter and Promoter Group	0	0	0	0.00	0.00	NA	NA
(2)	Public	0	0	0	0.00	0.00	NA	NA
	Sub-Total (C)	0	0	0	0.00	0.00	NA	NA
GRAND TOTAL (A)+(B)+(C)		9149	10105840	9470001	NA	100.00	0	0

xi. Dematerialisation of Shares:

As on 31.03.2011, 94,70,001 equity shares representing 93.71% in the Equity Share Capital is in dematerialised form. The position regarding dematerialization / rematerialisation of shares, as at 31.03.2011 as reported by the Registrars & Transfer Agents, M/s.Cameo Corporate Services Limited, Chennai, is as under:-

Dematerialisation as on 31.03.2011:

	National Securities Depository Limited	Central Depository Services (India) Limited	Total
No. of Requests	408	75	483
No. of Shares	4650117	121250	4771367
No. of Certificates	45103	1169	46272

The above dematerialised shares are credited to National Securities Depository Limited, Mumbai and Central Depository Services (India) Limited, Mumbai.

Rematerialisation as on 31.03.2011:

	National Securities Depository Limited	Central Depository Services (India) Limited	Total
No. of Requests	13	1	14
No. of Shares	269	50	319
No. of Certificates	13	1	14

Share certificates have been issued for the above rematerialised shares.

- xii. Outstanding GDR/ADR/Warrants or any convertible instruments, conversion date and impact on equity: NIL
- xiii. Plant Locations:
- | | | |
|--|---|--|
| UNIT I [EHTP DIV] | : | Door No.5/1080, Plot No.154
Industrial Estate, Perungudi, Chennai - 600 096. |
| UNIT II | : | 33/1, PIPDIC Industrial Estate,
Sedarapet, Pondicherry - 605 111. |
| UNIT III S | : | S. No.58/3, Nachiyur, Salem Main Road,
Veerappan Palayam P.O. Idappadi - 637105.
Salem District. |
| UNIT IV | : | A-85, VI Cross PIPDIC Industrial Estate,
Sedarapet, Pondicherry - 605 111. |
| UNIT VI | : | Plot-17A, Sector-2
Parwanoo-173220. Himachal Pradesh. |
| FABRICATION, HIGH ENERGY DIVISION,
TRANSFORMER & STABILIZER PLANT | : | 122/1, Old Mahabalipuram Road, Semmanchery,
Chennai - 600 119. |
- xiv. Address for correspondence :
- 'NUMERIC HOUSE'
No.5, Sir P.S. Sivasamy Salai, Mylapore,
Chennai - 600 004, Tamil Nadu.

For and on behalf of the Board of Directors

Chennai
May 30, 2011

A.BALAN	R.CHELLAPPAN
Director	Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of Numeric Power Systems Limited,

I have examined the compliance of conditions of Corporate Governance by Numeric Power Systems Limited ('the Company'), for the year ended on March 31, 2011, as stipulated in clause 49 of the Listing Agreement executed by the Company with the Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations, records, given to me during the secretarial audit, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement executed with the Stock Exchanges.

Place: Chennai
Date: May 30, 2011

R.KANNAN
Practicing Company Secretary,
CP No. 3363
Door No.6, Plot 11A,
10th St New Colony,
Adambakkam, Chennai-600 088.
Ph: 044-43559396, Cell: 9500123979



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AUDITORS' REPORT

To

The Members of Numeric Power Systems Limited

1. We have audited the attached Balance Sheet of Numeric Power Systems Limited ('the Company') as at March 31, 2011 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We 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 about 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - v. On the basis of the written representations received from the directors, as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2011;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W

Chartered Accountants

per SUBRAMANIAN SURESH

Partner

Membership No.:083673

Chennai

May 30, 2011

**Annexure referred to in paragraph 3 of our report of even date
Re: Numeric Power Systems Limited ('the Company')**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no substantial disposal of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (b), (c) and (d) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (e) According to the information and explanation given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of sub clauses (f) and (g) of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. During the course of our audit, we have not observed any material weakness or continuing failure to correct major weakness in internal control system of these areas .
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding value of Rupees five lakhs have been entered in to during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 for the products of the Company.
- (ix) (a) Undisputed statutory dues including employee's state insurance, income tax, investor education and protection fund, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delays in few cases in payment of dues in respect of sales tax and provident fund.
- Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



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- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Cenvat Credit related matters	26 Lakhs	1998- 2002	High Court
Kerala Sales Tax Act, 1963*	Penalty	7 Lakhs	2000-01	Deputy Commissioner, Commercial Taxes
Delhi VAT Act, 2004	Disputed turnover	12 lakhs	2006-2007	Commissioner, Appeals

* Excludes amounts paid under protest amounting to ₹3 lakhs.

- (x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company has no dues in respect of financial institutions and has not issued any debentures during the year.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per SUBRAMANIAN SURESH

Partner
Membership No.: 083673
Chennai, May 30, 2011

Balance Sheet as at March 31, 2011
(All amounts are in Indian Rupees unless otherwise stated)

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	10,10,58,400	10,10,58,400
Reserves and surplus	2	230,53,80,430	193,84,25,711
		<u>240,64,38,830</u>	<u>203,94,84,111</u>
Loan funds			
Secured loans	3	38,50,69,950	24,51,73,891
		<u>38,50,69,950</u>	<u>24,51,73,891</u>
Deferred Tax Liability (Net)	4	6,33,32,255	6,22,47,030
	TOTAL	<u>285,48,41,035</u>	<u>234,69,05,032</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	5	93,53,62,453	87,19,57,539
Less : Accumulated depreciation and amortisation		24,70,26,920	19,87,50,553
Net block		<u>68,83,35,533</u>	<u>67,32,06,986</u>
Capital work-in-progress including capital advances		2,28,54,358	1,99,26,323
		<u>71,11,89,891</u>	<u>69,31,33,309</u>
Investments			
	6	14,55,70,198	4,72,24,874
Current Assets, Loans and Advances			
Inventories	7	112,15,94,503	94,01,62,461
Sundry Debtors	8	120,67,73,124	102,31,93,028
Cash and bank balances	9	19,82,06,749	9,84,49,038
Other current assets	10	9,97,954	6,00,408
Loans and advances	11	18,90,48,009	16,45,12,348
Less: Current Liabilities and Provisions			
Current Liabilities	12	62,11,63,149	52,74,00,434
Provisions	13	9,73,76,244	9,29,70,000
		<u>199,80,80,946</u>	<u>160,65,46,849</u>
Net Current Assets			
	TOTAL	<u>285,48,41,035</u>	<u>234,69,05,032</u>

Notes to Accounts

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The schedules referred to above and notes to accounts form an integral part of the Balance sheet

As per our report of even date
For **S.R.BATLIBOI & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **SUBRAMANIAN SURESH**
Partner
Membership No.: 083673
Place: Chennai
Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN
Director

R.CHELLAPPAN
Managing Director

B.SRINIVASAN
Company Secretary
Place: Chennai
Date: May 30, 2011



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Profit and Loss Account for the year ended March 31, 2011
(All amounts are in Indian Rupees unless otherwise stated)

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Turnover (Gross)		457,87,69,248	415,40,47,350
Less : Excise duty		25,38,05,714	19,69,12,367
Turnover (Net)		432,49,63,534	395,71,34,983
Service income		52,50,27,921	42,11,45,281
Other income	14	4,01,10,145	7,76,36,431
TOTAL		489,01,01,600	445,59,16,695
EXPENDITURE			
Personnel expenses	15	46,41,05,465	41,08,33,661
Manufacturing and other expenses	16	388,48,59,212	350,10,33,408
Increase in inventories	17	(5,35,05,008)	(2,86,95,613)
Depreciation and amortisation	5	4,89,73,599	4,74,42,150
Financial expenses	18	3,74,92,608	3,38,95,413
TOTAL		438,19,25,876	396,45,09,019
Profit before tax		50,81,75,724	49,14,07,676
Provision for tax			
- Current tax [including ₹Nil (previous year ₹40,00,000) made for earlier years]		10,49,00,000	11,46,00,000
- Deferred tax		10,85,225	89,45,292
Net Profit after tax		40,21,90,499	36,78,62,384
Balance brought forward from previous year		170,77,22,652	141,19,99,387
Profit available for appropriation		210,99,13,151	177,98,61,771
Appropriations:			
Proposed final dividend		3,03,17,520	3,03,17,520
Tax on dividend		49,18,260	50,35,361
Transfer to general reserve		4,02,19,050	3,67,86,238
		7,54,54,830	7,21,39,119
Surplus carried to Balance Sheet		203,44,58,321	170,77,22,652
Earnings per share			
- Net profit attributable to equity shareholders		40,21,90,499	36,78,62,384
- Weighted average number of equity shares (Nos)		1,01,05,840	1,01,05,840
- Basic and diluted earnings per share (₹)		39.80	36.40
- Nominal value per equity share (₹)		10	10

Notes to Accounts

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The schedules referred to above and notes to accounts form an integral part of the Profit and Loss account.

As per our report of even date

For **S.R.BATLIBOI & ASSOCIATES**

Firm registration number: 101049W

Chartered Accountants

per **SUBRAMANIAN SURESH**

Partner

Membership No.: 083673

Place: Chennai

Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN

Director

R.CHELLAPPAN

Managing Director

B.SRINIVASAN

Company Secretary

Place: Chennai

Date: May 30, 2011

SCHEDULES TO ACCOUNTS
(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 1 : Share Capital		
Authorised		
2,00,00,000 (previous year - 2,00,00,000) equity shares of ₹10/- each	20,00,00,000	20,00,00,000
Issued		
1,01,05,840 (previous year - 1,01,05,840) equity shares of ₹10/- each fully called up	10,10,58,400	10,10,58,400
Subscribed and paid up		
1,01,05,840 (previous year - 1,01,05,840) equity shares of ₹10/- each fully paid	10,10,58,400	10,10,58,400
Of the above:		
(i) 12,50,000 (previous year - 12,50,000) equity shares of ₹10/- each were allotted as fully paid up bonus shares by capitalisation of Profit and Loss account.		
(ii) 9,45,000 (previous year - 9,45,000) equity shares of ₹10/- each were allotted as fully paid up pursuant to a contract for consideration other than cash.		
(iii) 52,920 (previous year - 52,920) equity shares of ₹10/- each were allotted as fully paid up pursuant to merger of UPS division of Numeric Electronics (P) Ltd for consideration other than cash.		
(iv) 50,52,920 (previous year - 50,52,920) equity shares of ₹10/- each are allotted as fully paid up bonus shares by capitalisation of Securities Premium.		
Schedule 2 : Reserves and Surplus		
Securities Premium		
Opening balance	1,82,68,300	6,87,97,500
Less: Capitalisation of securities premium for bonus issue	-	(5,05,29,200)
	1,82,68,300	1,82,68,300
Capital reserve		
Balance as per last account	1,52,63,880	1,52,63,880
General Reserve		
Balance as per last account	19,71,70,879	16,03,84,641
Add: Transferred from Profit and Loss Account	4,02,19,050	3,67,86,238
	23,73,89,929	19,71,70,879
Profit and Loss Account		
	203,44,58,321	170,77,22,652
	230,53,80,430	193,84,25,711
Schedule 3 : Secured Loans		
From banks		
- Working capital demand loans	4,00,00,000	3,00,00,000
- Buyer's credit	34,50,69,950	21,50,65,602
- Interest accrued and due	-	1,08,289
(Secured by a pari passu charge on stock, book debts and fixed assets both present and future and Equitable mortgage in respect of immovable properties situated at Pondicherry and Semmancherry and personal guarantee by two directors)		
	38,50,69,950	24,51,73,891
Schedule 4: Deferred Tax Liability/ (Asset)		
Differences in depreciation as per tax books and as per financial books.	6,55,27,820	6,71,06,360
Provision for doubtful advances	(10,49,341)	(10,49,341)
Others	(11,46,224)	(38,09,989)
	6,33,32,255	6,22,47,030

SCHEDULES TO ACCOUNTS Contd...
(All amounts are in Indian Rupees unless otherwise stated)

Schedule 5: Fixed assets

Particulars	Gross block			Accumulated depreciation and amortisation			Net block		
	As at April 1, 2010	Additions	Deletions	As at March 31, 2011	As at April 1, 2010	Charge during the year	Deletions	As at March 31, 2011	As at March 31, 2010
Fixed Assets									
Land	10,30,00,334	-	-	10,30,00,334	-	-	-	10,30,00,334	8,87,67,829
Leasehold land	1,08,15,430	-	-	1,08,15,430	3,27,708	1,09,236	-	1,03,78,486	1,04,87,722
Leasehold improvements	2,08,32,295	-	-	2,08,32,295	9,36,056	4,16,659	-	7,30,580	11,47,239
Building	34,06,02,607	1,87,45,624	-	35,93,48,231	3,44,13,409	1,12,72,335	-	31,36,62,487	32,04,21,703
Plant and machinery	19,46,32,544	90,50,392	-	20,36,82,936	5,58,97,500	1,41,44,399	-	13,36,41,037	13,87,35,044
Office equipment and electrical equipment	4,90,97,973	72,40,009	-	5,63,37,982	1,66,93,135	25,20,471	-	3,71,24,376	3,24,04,838
Computers	4,57,02,218	52,86,039	-	5,09,88,257	2,60,51,667	58,21,962	-	1,91,14,628	1,96,50,551
Furniture and fittings	3,82,73,231	93,38,649	-	4,76,11,880	1,94,30,549	24,99,721	-	2,56,81,610	1,88,42,682
Vehicles	4,09,36,067	1,08,68,633	6,97,232	5,11,07,468	1,71,61,421	38,36,057	6,97,232	3,08,07,222	2,37,74,646
Intangibles									
Software	3,29,97,780	35,72,800	-	3,65,70,580	1,54,04,654	69,71,153	-	1,41,94,773	1,75,93,126
Goodwill	1,38,16,060	-	-	1,38,16,060	1,24,34,454	13,81,606	-	-	13,81,606
	87,19,57,539	6,41,02,146	6,97,232	93,53,62,453	19,87,50,553	4,89,73,599	6,97,232	68,83,35,533	67,32,06,986
Previous year figures	65,59,42,053	21,69,80,420	9,64,934	87,19,57,539	15,21,79,564	4,74,42,150	8,71,161	67,32,06,986	

SCHEDULES TO ACCOUNTS Contd...
(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 6 : Investments		
Long Term Investments (Unquoted, at cost)		
A. Other than Subsidiary (non trade)		
3,00,000 (2010 - 3,00,000) equity shares of ₹10 each fully paid in Gem Sugars Limited	30,00,000	30,00,000
12,250 (2010 - 12,250) equity shares of ₹100 each fully paid in NPSL - Sunpac Power Protection Private Limited	12,25,000	12,25,000
2,500 (2010 - 2,500) equity shares of ₹100 each fully paid in Numeric Infrastructure Service Private Limited	2,50,000	2,50,000
B. In Subsidiary Companies (trade)		
2,00,000 (2010 - 2,00,000) equity shares of Sri Lankan Rupees 100 each fully paid in Numeric Lanka Technologies (Private) Limited	95,60,000	95,60,000
11,41,000 (2010 - 11,41,000) equity shares of Singapore Dollar 1 each fully paid in Numeric Power Systems Pte. Limited, Singapore.	3,13,17,090	3,13,17,090
100 (2010 - 100) equity shares of Mauritian Rupee 1,000 each fully paid in Numeric Power Systems (Mauritius) Private Ltd.	1,46,708	1,46,708
Nil (2010 - 3,00,000) equity shares of South African Rand 1 each fully paid in Numeric Power Systems Proprietary Limited, South Africa*.	-	16,26,076
4,000 (2010 - 1000) equity shares of Numeric Solar Energy Private Limited, ₹100 each fully paid	4,00,000	1,00,000
9,20,000 (2010 - Nil) equity shares of Amex Alloys Private Limited, ₹10 each fully paid*	4,21,71,400	-
3,75,000 (2010 - Nil) 10% Cumulative redeemable preference shares of Amex Alloys Private Limited, ₹100/- each fully paid*	3,75,00,000	-
Current Investments (quoted, at lower of cost and market value)		
C. Mutual funds (non-trade)		
9,598 (2010 - Nil) units of ₹10/- each fully paid of HDFC Prudence Fund -Growth Plan	20,00,000	-
2,32,887 (2010 - Nil) units of ₹10/- each fully paid of Reliance Regular Savings Fund - Debt Plan - Growth Plan	30,00,000	-
2,82,736 (2010 - Nil) units of ₹10/- each fully paid of Templeton India Income Opportunities Fund - Growth Plan	30,00,000	-
6,00,000 (2010 - Nil) units of ₹10/- each fully paid of Reliance Fixed Horizon Fund -X v Series 8 Growth Plan	60,00,000	-
3,54,032 (2010 - Nil) units of ₹10/- each fully paid of Birla Sunlife Mip li -Savings 5 Plan - Growth Plan	60,00,000	-
	14,55,70,198	4,72,24,874
* Refer note 4 of schedule 19		
Aggregate book value of quoted investments (Market value ₹2,06,95,101 (Previous year ₹ Nil))	2,00,00,000	-
Aggregate book value of unquoted investments	12,55,70,198	4,72,24,874



The ultimate in clean power

SCHEDULES TO ACCOUNTS Contd...
(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 7 : Inventories (at lower of cost and net realisable value)		
Raw materials and components (includes goods in transit ₹ Nil; previous year ₹7,79,56,179)	70,80,15,214	58,00,88,180
Work-in- progress	1,41,75,380	3,01,02,648
Finished goods (includes goods in transit ₹ Nil; previous year ₹4,27,19,312)	39,94,03,909	32,99,71,633
	112,15,94,503	94,01,62,461
Schedule 8 : Sundry Debtors		
Debts outstanding for a period exceeding six months		
- Unsecured, considered good	7,91,30,192	6,75,85,152
Other debts		
- Unsecured, considered good	112,76,42,932	95,56,07,876
	120,67,73,124	102,31,93,028
Included in Sundry Debtors are:		
Dues from Subsidiary Companies		
-- Amex Alloys Private Limited	1,34,01,296	-
-- Numeric Power Systems Pte. Limited, Singapore	1,24,23,018	1,47,01,086
-- Numeric Lanka Technologies (Private) Limited	16,21,229	2,38,646
Schedule 9 : Cash and Bank Balances		
Cash and Cheques on hand	2,21,64,284	4,74,136
Balances with scheduled banks:		
On current accounts	12,77,68,851	8,54,53,477
On deposit accounts	4,74,36,599	1,15,91,740
On unpaid dividend accounts	8,37,015	9,29,685
	19,82,06,749	9,84,49,038
Schedule 10 : Other current assets		
(Unsecured, considered good)		
Interest accrued on bank deposits	9,97,954	6,00,408
	9,97,954	6,00,408

SCHEDULES TO ACCOUNTS Contd...
(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 11 : Loans and Advances		
Unsecured, considered good		
Advance to subsidiaries	3,12,64,075	80,21,419
Advances recoverable in cash or kind or for value to be received	5,73,88,563	4,60,24,500
Advance tax and tax deducted at source, net of provision for income tax	57,29,592	1,86,34,313
Earnest money deposit	2,00,30,377	1,15,10,340
Deposits – others	1,68,47,765	1,54,82,423
Balances with Government authorities	5,77,87,637	6,48,39,353
Unsecured, considered doubtful		
Balances with Government authorities	31,59,000	31,59,000
Less : Provision for doubtful advances	(31,59,000)	(31,59,000)
	18,90,48,009	16,45,12,348
Included in Loans and Advances are:		
Dues from Subsidiary Companies:		
-- Numeric Power Systems (Mauritius) Private Limited	12,75,884	9,17,509
Maximum amount outstanding during the year is ₹13,27,806 (previous year ₹9,17,509)		
-- Numeric Power Systems Proprietary Limited	-	14,44,553
Maximum amount outstanding during the year is ₹14,44,553 (previous year ₹15,11,764)		
-- Numeric Lanka Technologies (Private) Limited	29,95,774	56,22,807
Maximum amount outstanding during the year is ₹29,95,774 (previous year ₹55,62,807)		
-- Numeric Solar Energy Private Ltd	17,10,476	36,550
Maximum amount outstanding during the year is ₹17,10,476 (previous year ₹36,550)		
-- Numeric Power Systems Pte. Limited, Singapore	11,11,598	-
Maximum amount outstanding during the year is ₹11,11,598 (previous year ₹ Nil)		
-- Amex Alloys Private Limited	2,41,70,343	-
Maximum amount outstanding during the year is ₹6,40,15,628 (previous year ₹ Nil)		
Schedule 12 : Current Liabilities		
Sundry creditors *	49,93,19,483	43,75,08,157
Dues to subsidiaries	1,26,22,505	-
Advance from customers	2,07,26,728	1,31,34,774
Deferred service income	5,43,10,172	4,95,24,360
Unpaid dividend**	8,37,015	9,29,685
Other liabilities	3,33,47,246	2,63,03,458
	62,11,63,149	52,74,00,434

* Refer note 3 of schedule 19

**Investor Education and Protection Fund shall be credited by unpaid dividend (as and when due)



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SCHEDULES TO ACCOUNTS Contd...
(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 13 : Provisions		
Proposed dividend	3,03,17,520	3,03,17,520
Tax on proposed dividend	49,18,260	50,35,361
Provision for gratuity #	58,97,852	56,05,989
Provision for leave encashment	99,01,709	1,17,63,877
Provision for warranty:		
Balance, beginning of year	4,02,47,253	3,25,82,497
Additions during the year	2,31,76,000	1,82,73,258
Amounts used during the year	(1,70,82,350)	(1,06,08,502)
Unused amounts reversed during the year	-	-
Balance, end of year	4,63,40,903	4,02,47,253
	9,73,76,244	9,29,70,000

Refer note 14 of schedule 19

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 14 : Other income		
Interest on bank deposits (TDS ₹48,267; 2010 - ₹1,16,789)	20,30,781	9,72,650
Dividend income		
- from investments in subsidiaries - long term, non-trade	-	28,88,776
- from other investments - long term, non-trade	1,50,000	3,00,000
Profit on sale of asset	1,15,874	32,492
Foreign exchange gains, net	2,93,89,122	6,42,75,359
Royalty	3,40,422	75,665
Technical service income	1,70,211	37,833
Miscellaneous income	79,13,735	90,53,656
	4,01,10,145	7,76,36,431
Schedule 15 : Personnel Expenses		
Salaries, wages and bonus	40,81,51,493	36,06,68,143
Contribution to provident and other funds	2,91,89,190	2,31,62,347
Gratuity expense (Refer note 14 of schedule 19)	64,02,374	66,05,989
Workmen and staff welfare expenses	2,03,62,408	2,03,97,182
	46,41,05,465	41,08,33,661

SCHEDULES TO ACCOUNTS Contd...
(All amounts are in Indian Rupees unless otherwise stated)

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 16 : Manufacturing and Other Expenses		
Raw materials and components consumed	220,33,29,464	197,99,22,397
Purchase of traded goods	109,67,50,180	100,23,02,874
Sub-contracting and processing expenses	5,89,73,379	6,21,09,188
Power and fuel	1,29,37,762	1,12,53,236
Freight and forwarding charges	12,47,25,956	10,83,09,640
Rates and taxes	2,02,12,865	1,58,33,016
Rent	2,99,43,954	2,87,15,021
Insurance	69,28,064	65,71,270
Repairs and maintenance		
- Buildings	10,78,174	8,73,537
- Plant & Machinery	12,22,664	20,28,926
- Others	2,09,12,343	1,91,53,894
Sales promotion	13,03,46,327	9,45,29,609
Advertisement	1,12,31,352	2,42,76,059
Traveling and conveyance	8,99,22,439	7,33,36,159
Communication costs	1,53,67,051	1,68,97,855
Printing and stationery	94,51,745	73,85,394
Legal and professional fees (refer note 5 of Schedule 19)	1,58,88,548	1,21,52,789
Increase/(decrease) of Excise duty on Inventory of finished goods	14,61,170	(13,07,707)
Loss on discontinuance of operations in subsidiary (Refer note 4(B) of Schedule 19)	5,50,547	-
Remission and write off of debts	49,02,947	88,50,022
Miscellaneous expenses	2,87,22,281	2,78,40,229
	388,48,59,212	350,10,33,408
Schedule 17 : Increase in Inventories		
Inventories, beginning of year		
- Work-in-progress	3,01,02,648	1,95,95,213
- Finished goods	32,99,71,633	31,17,83,455
	36,00,74,281	33,13,78,668
Inventories, end of year		
- Work-in-progress	1,41,75,380	3,01,02,648
- Finished goods	39,94,03,909	32,99,71,633
	41,35,79,289	36,00,74,281
	(5,35,05,008)	(2,86,95,613)
Schedule 18 : Financial Expenses		
Interest		
- on working capital	40,28,502	55,81,270
- others	52,19,550	21,82,503
Bank and other charges	2,82,44,556	2,61,31,640
	3,74,92,608	3,38,95,413

Financial Statements for the year ended March 31, 2011

(All amounts are in Indian Rupees unless otherwise stated)

Schedule 19: Notes to Accounts

1. Nature of Operations

Numeric Power Systems Limited ('the Company') was incorporated as a public limited company on September 12, 1994. The Company is engaged in the manufacture, sale and trading of Uninterruptible Power Supply ('UPS') systems and accessories and has its manufacturing facilities at Pondicherry, Chennai, Salem and Himachal Pradesh. The Company also provides maintenance and other after sale services in respect of UPS systems through a network of branches situated across the country.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

(c) Fixed assets and Intangible assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(d) Depreciation and amortisation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher as follows:

Building	3.34%
Plant and machinery (Other than Windmills)	4.75%
Windmills (included under Plant & Machinery)	10.00%
Office equipment, electrical etc	4.75%
Computers	16.21%
Furniture and fittings	6.33%
Vehicles	9.50%

Assets individually costing ₹5,000 or less are fully depreciated in the year of purchase.

Leasehold improvements are amortized using the straight-line method over their estimated useful lives (5 years) or the remainder of primary lease period, whichever is lower.

Intangible assets comprising goodwill and software are amortized using the straight-line method over a period of five years.

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(f) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of long term investments.

(g) Inventories

Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

(h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales

Sales of UPS systems and accessories are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognized on dispatch as such services are generally considered insignificant to the contract. Sales are net of excise duty and sales tax. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arising during the year.

Service income

Service income is recognized pro-rata over the period of the contract with customers.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

Dividends

Revenue is recognized when the Company's right as a shareholder / unit holder to receive payment is established by the balance sheet date. Dividend from subsidiaries is recognised even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet as per the requirement of schedule VI of the Companies Act, 1956.

(i) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(j) Retirement and other employee benefits

- i. Retirement benefits in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the regional provident fund.
- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the end of each financial year. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

(k) Income taxes

Provision for income tax is made for current and deferred taxes. Provision for current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than those arising from undertakings enjoying tax holiday benefits, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

The Company claims tax holiday benefits under Section 80-IB, Section 80IC and Section 10-B of the Income Tax Act, 1961 with respect to certain undertakings. Deferred tax assets or liabilities relating to such undertakings are recognised in these financial statements for the future tax consequences attributable to differences between taxable income and accounting income for the year, to the extent that such differences are not expected to reverse within the tax holiday period.

(l) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

(m) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(n) Provision

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provision is recognized for expected warranty claims on products sold during the last two years, based on past experience of level of repairs and returns. It is expected that most of this cost will be paid in the next two to five years of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about returns based on the two year warranty period for all products sold.

(o) Cash and Cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. There is no overdue amount payable to Micro, Small and Medium Enterprises as defined under The Micro Small and Medium enterprises Development Act, 2006. Further, the Company has not paid any interest to any Micro, Small and Medium Enterprises during the year.

4. Investments:

4A. Investment in Amex alloys private limited:

- The Company had entered into a Share Purchase Agreement on December 05, 2010, with the majority shareholders of M/s. Amex Alloys Private Limited ('AAPL') for acquisition of Equity Shares upto 92% and takeover of the Management Control and the acquisition has been completed on 31st January 2011.
- The Company has made investments aggregating to ₹3,75,00,000/- in 10% Cumulative redeemable preference shares of Amex Alloys Private Limited.

4B. Investment in Numeric Power Systems Proprietary Limited, South Africa ('NPSPL'):

During the year the management of the Company had applied for deregistration of NPSPL on March 29, 2011. Consequent to the above the NPSPL discontinued its operations and the loss incurred on account of such disposition of the investment aggregating to ₹5,50,547 has been included and disclosed separately in Schedule 16 - Manufacturing and Other Expenses.

5. Auditor's remuneration

(included under legal and professional fees)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
As Auditor:		
Audit fees *	16,00,000	16,00,000
Limited Review *	9,00,000	9,00,000
Out-of-pocket expenses *	98,000	95,000
	25,98,000	25,95,000

* Excluding service tax of ₹2,67,594 (Previous year ₹2,63,294)

6. Lease commitments - Operating Leases

Particulars	As at March 31, 2011	As at March 31, 2010
Lease payment for the year	2,99,43,954	2,87,15,021
Minimum Lease Payments :		
Not later than one year	80,55,449	50,53,216
Later than one year but not later than five years	56,39,863	32,02,583
Later than five years	5,85,910	6,18,512
	1,42,81,222	88,74,311

Payments for non-cancellable leases during the year 43,50,000 43,50,000

The lease term ranges between 1 and 6 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease arrangements. There are no subleases.

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

	Year ended March 31, 2011	Year ended March 31, 2010
7 Directors' Remuneration		
Salaries	74,45,000	65,25,000
Commission	62,26,317	60,41,669
	1,36,71,317	1,25,66,669
Note:- As the liabilities for gratuity and leave encashment are provided on an actuarial basis for the Company as a whole, the amounts pertaining to the directors are not included above.		
Computation of Net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors:		
Profit before tax	50,81,75,724	49,14,07,676
Add:		
Depreciation as per books	4,89,73,599	4,74,42,150
Directors' sitting fees	3,50,000	2,25,000
Loss on discontinuance of operations in subsidiary	5,50,547	-
Less:		
Depreciation under Sec 350 of the Companies Act, 1956	(4,89,73,599)	(4,74,42,150)
Profit on sale of asset	(1,15,874)	(32,492)
Net profit as per Section 349 of the Companies Act, 1956	50,89,60,397	49,16,00,184
Add: Directors' remuneration	1,36,71,317	1,25,66,669
Profit as per Section 198 of the Companies Act, 1956	52,26,31,714	50,41,66,853
Commission to Managing Director restricted to lower of:		
a) Approved by shareholders - 1% of the net profits as calculated above	52,26,317	50,41,669
b) Restricted to	N.A.	N.A.
Commission to Directors restricted to lower of:		
a) Approved by shareholders - 0.25% of the net profits as calculated above	13,06,579	12,60,417
b) Restricted to	10,00,000	10,00,000
8 Earnings in foreign exchange (on accrual basis)		
Exports at F.O.B. value	9,20,98,286	11,82,39,756
Royalty	3,40,422	75,665
Technical service income	1,70,211	37,833
Dividend	-	28,88,776
	9,26,08,919	12,12,42,030
9 Expenditure in foreign currency (on accrual basis)		
Travelling	13,54,990	23,24,052
Business Promotion	17,61,375	-
Staff welfare	8,82,809	-
Interest	45,55,659	30,05,917
Others	7,99,320	3,85,187
	93,54,153	57,15,156
10 Value of imports calculated on CIF basis		
Raw materials	73,46,05,363	86,79,50,252
Traded goods	85,88,16,389	71,40,63,903
Capital goods	1,41,704	4,91,632
	159,35,63,456	158,25,05,787

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

	Year ended March 31, 2011	Year ended March 31, 2010
11 Net dividend remitted in foreign exchange		
Final		
Period to which it relates	2009-10	2008-09
Number of non-resident shareholders	14	14
Number of equity shares of ₹10/- each held on which dividend was due	7,04,900	3,52,450
Amount remitted	21,14,700	17,62,250
12 Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for.	47,44,827	1,29,26,205
13 Contingent Liabilities not provided for		
Claims against the Company not acknowledged as debts		
a) Excise / CENVAT related matters	26,30,000	26,30,000
b) Sales tax related matters	10,00,000	10,00,000

14 Employee benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Long term compensated absences are provided for based on actuarial valuation as per projected unit credit method made at the end of each financial year.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit expense (recognised in Personnel Expenses)

Particulars	2010 - 2011	2009 - 2010
Current service cost	36,45,912	43,39,365
Interest cost on benefit obligation	23,12,386	18,16,342
Expected return on plan assets	(23,95,365)	(18,32,804)
Net actuarial (gain) / loss recognised in the year	28,39,441	22,83,086
Net benefit expense	64,02,374	66,05,989
Actual return on plan assets	(23,95,365)	(18,32,804)

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

Details of provision for gratuity

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation as at the end of the year	3,55,95,878	2,89,04,822
Less : Fair value of plan assets at the end of the year	(2,96,98,026)	(2,32,98,833)
Plan (asset) / liability	58,97,852	56,05,989

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation at the beginning of the year	2,89,04,822	2,27,04,272
Interest Cost	23,12,386	18,16,342
Current service cost	36,45,912	43,39,365
Benefits paid	(21,06,683)	(22,38,243)
Actuarial (gain) / loss on obligation	28,39,441	22,83,086
Present value of obligation as at the end of the year	3,55,95,878	2,89,04,822

Changes in the fair value of plan assets are as follows:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Fair value of planned assets at the beginning of the year	2,32,98,833	1,69,27,698
Expected return on plan assets	23,95,365	18,32,804
Contributions	61,10,511	67,76,574
Benefits paid	(21,06,683)	(22,38,243)
Actuarial (gain) / loss on fair value of plan assets	-	-
Fair value of plan assets at the end of the year	2,96,98,026	2,32,98,833

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Defined Benefit Obligation	3,55,95,878	2,89,04,822
Plan Assets	2,96,98,026	2,32,98,833
(Surplus) / deficit	58,97,852	56,05,989

Experience adjustments on:

Year ended	Plan liabilities	Plan assets
March 31st, 2011	28,39,441	-
March 31st, 2010	22,83,086	-
March 31st, 2009	52,20,462	-
March 31st, 2008	29,22,619	-

The principal assumptions used in determining gratuity benefit obligation for the Company's plan is shown below:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Discount rate (p.a.)	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 3%	1% - 3%
Contribution expected to be paid during the next year	50,00,000	50,00,000

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligation is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



The ultimate in clean power

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

15 Related party transactions

Particulars	Subsidiaries		Associates / Joint Ventures / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Sale of goods	2,56,73,545	1,05,85,618	-	-	-	-	-	-	2,56,73,545	1,05,85,618
-Numeric Lanka Technologies (Private) Limited	11,35,621	-	-	-	-	-	-	-	11,35,621	-
-Numeric Power Systems Pte. Limited, Singapore	1,11,36,628	1,05,85,618	-	-	-	-	-	-	1,11,36,628	1,05,85,618
-Amex Alloys Private limited	1,34,01,296	-	-	-	-	-	-	-	1,34,01,296	-
Purchase of traded goods	1,75,21,824	38,81,419	-	-	-	-	-	-	1,75,21,824	38,81,419
-Numeric Lanka Technologies (Private) Limited	1,75,21,824	38,81,419	-	-	-	-	-	-	1,75,21,824	38,81,419
Receipt of services	-	-	8,67,600	806,467	-	-	-	-	8,67,600	8,06,467
-Numeric Technologies Private Limited	-	-	8,67,600	806,467	-	-	-	-	8,67,600	8,06,467
Rent Received	-	-	24,000	24,000	-	-	-	-	24,000	24,000
-Numeric Technologies Private Limited	-	-	24,000	24,000	-	-	-	-	24,000	24,000
Interest Income	2,00,843	-	-	-	-	-	-	-	2,00,843	-
-Amex Alloys Private Limited	2,00,843	-	-	-	-	-	-	-	2,00,843	-
Rent Expense	-	-	43,50,000	43,50,000	-	1,68,000	-	-	43,50,000	45,18,000
-Numeric Electronics Private Limited	-	-	43,50,000	43,50,000	-	-	-	-	43,50,000	43,50,000
-Mr R Chellappan	-	-	-	-	-	1,68,000	-	-	-	1,68,000
Royalty Income	1,70,211	75,665	-	-	-	-	-	-	1,70,211	75,665
-Numeric Lanka Technologies (Private) Limited	1,70,211	75,665	-	-	-	-	-	-	1,70,211	75,665
Technical Services Income	3,40,422	37,883	-	-	-	-	-	-	3,40,422	37,883
-Numeric Lanka Technologies (Private) Limited	3,40,422	37,883	-	-	-	-	-	-	3,40,422	37,883
Remuneration	-	-	-	-	1,36,71,317	1,25,66,669	12,07,624	11,80,530	1,48,78,941	1,37,47,199
-Mr R Chellappan	-	-	-	-	81,16,317	75,41,669	-	-	81,16,317	75,41,669
-Mr A Balan	-	-	-	-	34,40,833	31,75,000	-	-	34,40,833	31,75,000
-Mr K V Nachiappan	-	-	-	-	21,14,167	18,50,000	-	-	21,14,167	18,50,000
-Mr V C Raghunath	-	-	-	-	-	-	4,85,762	4,80,036	4,85,762	4,80,036
-Miss V C Mirunalini	-	-	-	-	-	-	2,66,310	2,89,050	2,66,310	2,89,050
-Miss Aarthi Balan	-	-	-	-	-	-	4,55,552	4,11,444	4,55,552	4,11,444
Dividend paid	-	-	-	-	1,49,34,540	1,24,45,450	3,17,262	2,63,885	1,52,51,802	1,27,09,335
-Mr R Chellappan	-	-	-	-	1,42,41,162	1,18,67,635	-	-	1,42,41,162	1,18,67,635
Others	-	-	-	-	6,93,378	5,77,815	3,17,262	2,63,885	10,10,640	8,41,700
Dividend received	-	28,88,776	-	-	-	-	-	-	-	28,88,776
-Numeric Lanka Technologies (Private) Limited	-	28,88,776	-	-	-	-	-	-	-	28,88,776

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Subsidiaries		Associates/Joint Ventures/ Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Investments made	7,99,71,400	1,00,000	-	-	-	-	-	-	7,99,71,400	1,00,000
-Numeric Solar Energy Private Ltd	3,00,000	1,00,000	-	-	-	-	-	-	3,00,000	1,00,000
-Amex Alloys Private Limited-Equity	4,21,71,400	-	-	-	-	-	-	-	4,21,71,400	-
-Amex Alloys Private Limited-Preference	3,75,00,000	-	-	-	-	-	-	-	3,75,00,000	-
Investments discontinued	7,49,449	-	-	-	-	-	-	-	7,49,449	-
-Numeric Power Systems Proprietary Limited	7,49,449	-	-	-	-	-	-	-	7,49,449	-
Advances made	3,65,90,573	1,80,400	-	-	-	-	-	-	3,65,90,573	1,80,400
-Numeric Power Systems Pte. Limited	5,36,850	-	-	-	-	-	-	-	5,36,850	-
-Numeric Power Systems (Mauritius) Private Limited	4,10,297	1,43,850	-	-	-	-	-	-	4,10,297	1,43,850
-Numeric Solar Energy Private Ltd	16,73,926	36,550	-	-	-	-	-	-	16,73,926	36,550
-Amex Alloys Private Limited	3,39,69,500	-	-	-	-	-	-	-	3,39,69,500	-
Repayment of advances	1,00,00,000	-	-	-	-	-	-	-	1,00,00,000	-
-Amex Alloys Private Limited	1,00,00,000	-	-	-	-	-	-	-	1,00,00,000	-
Balance outstanding as at the period end:										
Amounts payable to related parties	1,26,22,505	-	27,12,401	15,31,422	-	-	-	-	1,53,34,906	15,31,422
Creditors										
-Numeric Electronics Private Limited	-	-	22,86,975	11,63,406	-	-	-	-	22,86,975	11,63,406
-Numeric Lanka Technologies (Private) Limited	1,26,22,505	-	-	-	-	-	-	-	1,26,22,505	-
-Numeric Infrastructure Services Private Limited	-	-	3,68,016	3,68,016	-	-	-	-	3,68,016	3,68,016
-Numeric Technologies Private Limited	-	-	57,410	-	-	-	-	-	57,410	-
Amounts receivable from related parties	5,87,09,618	2,29,61,151	-	-	-	-	-	-	5,87,09,618	2,29,61,151
Debtors										
-Numeric Power Systems Pte. Limited, Singapore	1,24,23,018	1,47,01,086	-	-	-	-	-	-	1,24,23,018	1,47,01,086
-Numeric Lanka Technologies (Private) Limited	16,21,229	2,38,646	-	-	-	-	-	-	16,21,229	2,38,646
-Amex Alloys Private Limited	1,34,01,296	-	-	-	-	-	-	-	1,34,01,296	-
Advances										
-Numeric Power Systems Pte. Limited, Singapore	11,11,598	-	-	-	-	-	-	-	11,11,598	-
-Numeric Lanka Technologies (Private) Limited	29,95,774	56,22,807	-	-	-	-	-	-	29,95,774	56,22,807
-Numeric Power Systems (Mauritius) Private Limited	12,75,884	9,17,509	-	-	-	-	-	-	12,75,884	9,17,509
-Numeric Power Systems Proprietary Limited	-	14,44,553	-	-	-	-	-	-	-	14,44,553
-Numeric Solar Energy Private Ltd	17,10,476	36,550	-	-	-	-	-	-	17,10,476	36,550
-Amex Alloys Private Limited	2,41,70,343	-	-	-	-	-	-	-	2,41,70,343	-

1. Names of related parties

Subsidiaries

Numeric Lanka Technologies (Private) Limited
Numeric Power Systems Pte. Limited, Singapore
Numeric Power Systems (Mauritius) Private Limited.
Numeric Power Systems Proprietary Limited, South Africa
Numeric Solar Energy Pvt Ltd
Amex Alloys Private Limited (with effect from Januray 31st,2011)

Associate

Npsl-Sunpac Power Protection Private Limited

Joint Venture

Numeric Infrastructure Services Private Limited

Enterprises owned or significantly influenced by key management personnel or their relatives

Numeric Electronics Private Limited
Numeric Technologies Private Limited

Key Management Personnel

Mr R Chellappan - Managing Director
Mr A Balan - Director
Mr K V Nachiappan - Director

Relatives of key management personnel

Mrs Gunasundari Chellappan, Mrs B. Vasantha, Mr V.C.Raghunath, Miss V.C.Mirunalini, Miss Aarthi Balan

2. Remuneration paid to directors is disclosed elsewhere in note 7 of Schedule 19.



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Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

16 Segment information

A. Primary segment information (By Business segments)

The Company's operations predominantly relates to the manufacture and trading in UPS systems and accordingly this is the only primary reportable segment.

B. Secondary segment information (By Geographical segments)

The following table shows the geographical distribution of the Company's segment revenues and additions to tangible and intangible assets for the year ended March 31, 2011 and year ended March 31, 2010.

Particulars	Geographical segment			
	31-Mar-11		31-Mar-10	
	Outside India	India	Outside India	India
Revenues	9,20,98,286	475,78,93,169	11,82,39,756	426,00,40,508
Additions to Fixed and Intangible assets*	-	6,70,30,182	-	19,25,79,654
Segment assets	6,45,54,927	350,88,25,501	7,33,85,806	289,38,89,660

* Fixed and intangible assets are located only in India

17 Information in respect of Joint Venture in terms of Accounting Standard 27 - 'Financial Reporting of Interests in Joint Venture'

Name of the Joint Venture:	Numeric Infrastructure Services Private Limited ('NISPL')
Nature of business	Providing infrastructure services.
Proportion of Ownership Interest:	50 %
Date of incorporation:	April 2, 2004
Country of Incorporation:	India

Schedule 19 : Notes to accounts (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in joint venture)

	As at March 31, 2011	As at March 31, 2010
Fixed Assets		
Gross block	1,36,500	1,36,500
Less : Accumulated depreciation	58,322	58,322
Net block	78,178	78,178
	<u>78,178</u>	<u>78,178</u>
Current Assets, Loans and Advances:		
Sundry Debtors	4,41,661	4,41,661
Cash and bank balances	7,80,533	8,26,232
Loans and advances	4,46,359	4,48,581
Less: Current Liabilities and Provisions		
Current Liabilities	8,67,398	8,64,641
Provisions	31,735	31,735
Net Current Assets	7,69,420	8,20,098
	<u>7,69,420</u>	<u>8,20,098</u>

Summary of income and expenditure:

(Details given below represent proportionate amount of the Company's share in joint venture)

	Year ended March 31, 2011	Year ended March 31, 2010
Expenditure		
Personnel expenses	45,248	33,209
Manufacturing and other expenses	2,758	2,758
Financial expenses	2,672	2,325
	<u>50,678</u>	<u>38,292</u>

Schedule 19 : Notes to accounts (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

18 Licensed Capacity, Installed Capacity and Actual Production

Class of goods	Unit	UPS systems		Servo Stabilizer	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Licensed Capacity	Nos	NA	NA	NA	NA
Installed Capacity *	Nos	50,000	50,229	3,500	3,549
Actual Production	Nos	40,717	50,229	2,378	3,549

* Installed capacity is subject to changes in product mix utilization of manufacturing facilities.

19 Quantitative information on stocks and sales of goods produced / traded during the year ended

March 31, 2011

Class of goods	Opening stock		Sales		Closing Stock	
	Quantity (Nos)	Amount (₹)	Quantity (Nos)	Amount (₹)	Quantity (Nos)	Amount (₹)
Manufactured UPS Systems	772	4,73,54,124	40,536	301,20,43,845	953	4,56,23,193
Traded UPS Systems	36,233	10,16,86,339	4,03,519	72,72,45,039	42,538	9,93,22,726
Others*		18,09,31,170		83,94,80,364		25,44,57,990
		32,99,71,633		457,87,69,248		39,94,03,909

March 31, 2010

Class of goods	Opening stock		Sales		Closing Stock	
	Quantity (Nos)	Amount (₹)	Quantity (Nos)	Amount (₹)	Quantity (Nos)	Amount (₹)
Manufactured UPS Systems	1,127	4,42,78,809	50,584	274,73,83,219	772	4,73,54,124
Traded UPS Systems	54,649	15,18,56,002	3,89,853	76,65,39,026	36,233	10,16,86,339
Others*		11,56,48,644		64,01,25,105		18,09,31,170
		31,17,83,455		415,40,47,350		32,99,71,633

*It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

Schedule 19 : Notes to accounts (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

20 Purchase of traded goods

Class of Goods	Quantity (Nos.)		Value	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
UPS Systems	4,09,824	3,71,437	50,81,80,650	51,20,84,341
Others*			58,85,69,530	49,02,18,533
			109,67,50,180	100,23,02,874

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

21 Consumption of raw materials

	Unit	Quantity		Value	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Batteries	Nos.	3,89,961	3,59,865	118,26,23,408	108,09,44,843
SKD	Nos.	34,804	31,127	44,38,08,664	29,84,68,909
Others*				57,68,97,392	60,05,08,645
				220,33,29,464	197,99,22,397

* It is not practicable to furnish quantitative information in view of the large number of items which differ in size and nature, each being less than 10% in value of the total.

Note: The figures shown are balancing figures, ascertained on the basis of opening stock, purchases and closing stock and, therefore, include adjustments of excesses and shortages ascertained on physical count.

22 Imported and indigenous raw materials

	% of total consumption		Value	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Imported	46%	41%	101,39,37,346	81,28,06,261
Indigenous	54%	59%	118,93,92,118	116,71,16,136
	100%	100%	220,33,29,464	197,99,22,397



The ultimate in clean power

Schedule 19 : Notes to accounts (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

23 Derivative instruments and Foreign currency exposures

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations on payable balance.

The following are the outstanding Forward Exchange Contracts entered into by the Company as at March 31, 2011.

Particulars	March 31, 2011	March 31, 2010
	USD	USD
Number of contracts	8	24
USD	7,38,010	38,50,247
INR Equivalent	3,31,82,675	17,82,36,125

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Foreign Currency	March 31, 2011		March 31, 2010	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Receivables	USD	4,07,294	1,81,47,872	5,06,592	2,27,51,063
Advances	USD	1,80,396	80,36,623	-	-
	MUR	8,33,040	12,75,884	6,03,466	9,17,509
	ZAR	-	-	2,36,351	14,44,553
Investments	SLR	2,00,00,000	95,60,000	2,00,00,000	95,60,000
	SGD	11,41,000	3,13,17,090	11,41,000	3,13,17,090
	MUR	1,00,000	1,46,708	1,00,000	1,46,708
	ZAR	-	-	3,00,000	16,26,076
Payables	USD	1,09,66,590	48,94,38,931	44,75,958	19,91,29,623
	JPY	-	-	32,400	16,670
Bank balances	USD	1,02,145	45,50,565	58,936	26,46,816
	EURO	2	118	-	-
Loans	USD	77,31,794	34,50,69,950	47,88,813	21,50,65,602

24 Previous year figures have been reclassified/regrouped wherever necessary to conform to current years' presentation.

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **SUBRAMANIAN SURESH**
Partner
Membership No.: 083673
Place: Chennai
Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN Director
R.CHELLAPPAN Managing Director

B.SRINIVASAN
Company Secretary
Place: Chennai
Date: May 30, 2011

Cash flow statement for the year ended March 31, 2011

(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
A. Cash flow from operating activities:		
Net profit before taxation	50,81,75,724	49,14,07,676
Adjustments for:		
Depreciation	4,89,73,599	4,74,42,150
Interest expense	92,48,052	77,63,773
Interest income	(20,30,781)	(9,72,650)
Dividend income	(1,50,000)	(31,88,776)
Loss on discontinuance of subsidiary	5,50,547	-
(Profit)/Loss on sale of fixed assets	(1,15,874)	(32,492)
Remission and write off of debts	49,02,947	88,50,022
Unrealised foreign exchange (gain) /loss, net	(8,04,332)	(1,22,16,587)
Operating profit before working capital changes	56,87,49,882	53,90,53,116
Adjustments for changes in working capital :		
(Increase) / Decrease in sundry debtors	(18,84,83,043)	(17,78,79,835)
(Increase) / Decrease in loans and advances	(3,74,40,382)	(88,33,605)
(Increase) / Decrease in inventories	(18,14,32,042)	(10,60,25,169)
Increase / (Decrease) in current liabilities	9,38,55,385	(3,84,44,445)
Increase / (Decrease) in provisions	54,20,347	2,29,61,766
Cash generated from operations	26,06,70,147	23,08,31,828
Taxes (paid) / received, net	(9,19,95,279)	(18,65,53,281)
Net cash from operating activities	16,86,74,868	4,42,78,547
B. Cash flow from investing activities:		
Capital expenditure (refer note 1 below)	(6,70,30,181)	(19,47,01,756)
Sale of investment in subsidiary	10,75,529	-
Investment in mutual funds	(2,00,00,000)	-
Investment in subsidiaries	(7,99,71,400)	(1,00,000)
Proceeds from sale of fixed assets	1,15,874	1,26,265
Deposits made during the year	(3,58,44,859)	(54,65,535)
Interest received	16,33,235	5,99,889
Dividend received	1,50,000	31,88,776
Net cash used in investing activities	(19,98,71,802)	(19,63,52,361)
C. Cash flow from financing activities:		
(Repayment) (net) of short term borrowings	13,98,96,059	17,68,31,812
Interest paid	(92,48,052)	(77,63,773)
Dividend paid	(3,04,10,190)	(2,52,60,655)
Dividend tax paid	(50,35,361)	(42,93,719)
Net cash from / (used) in financing activities	9,52,02,456	13,95,13,665
Net increase / (decrease) in cash and cash equivalents	6,40,05,522	(1,25,60,149)
Cash and cash equivalents at the beginning of the year	8,59,27,613	9,84,87,762
Closing cash and cash equivalents	14,99,33,135	8,59,27,613

Notes:

- Increase in capital expenditure include payments for items in capital work in progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- The accompanying notes are an integral part of this statement.
- Fixed deposits with banks with maturity period of more than three months including interest accrued thereon amounting to ₹4,74,36,599/- (previous year ₹1,15,91,740/-) are not included under Cash and Cash equivalents.
- Unpaid dividend aggregating to ₹8,37,015/- (previous year ₹9,29,685/-) are not included under Cash and Cash equivalents

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **SUBRAMANIAN SURESH**
Partner
Membership No.: 083673
Place: Chennai
Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN Director
R.CHELLAPPAN Managing Director

B.SRINIVASAN
Company Secretary
Place: Chennai
Date: May 30, 2011



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Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No :	28578	State Code:	18
Corporate Identity Number (CIN)	L93090TN1994PLC028578		
Balance Sheet Date:	31-Mar-11		

II Capital Raised During The Year (Amount in ₹000)

Public Issue	-	Rights Issue	-
Bonus Issue	-	Private Placement	-

III Position of Mobilisation And Deployment of Funds (Amount in ₹000)

Total Liabilities	28,54,841	Total Assets	28,54,841
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Sources of Funds

Paid-Up Capital	1,01,058	Reserves & Surplus	23,05,380
Secured Loans	3,85,070	Deferred tax liability	63,332

Application of Funds

Net Fixed Assets	7,11,190	Investments	1,45,570
Net Current Assets	19,98,081	Miscellaneous expenditure	-

IV Performance of Company (Amount in ₹000)

Turnover (Sales and other income)	48,90,102	Total Expenditure	43,81,926
Profit Before Tax	5,08,176	Profit After Tax	4,02,190
Earnings Per Share - Basic ₹	39.80	Dividend Rate %	30%
Earnings Per Share – Diluted ₹	39.80		

V Generic names of principal products/services of the Company (As per monetary Terms)

Item Code No. (ITC Code)	Product Description
85044009	Uninterruptible Power Supply System Static Converters - Others
85044001	Static Converters - Electric Inverters - Rectifier and Chargers

For and on behalf of the Board of Directors

A.BALAN
Director

R.CHELLAPPAN
Managing Director

B.SRINIVASAN
Company Secretary

Place: Chennai
Date: May 30, 2011

Statement regarding subsidiary Companies pursuant to Section 212 of the Companies Act, 1956

a) Name of the subsidiary	Numeric Lanka Technologies (Private) Limited, Sri Lanka	Numeric Power Systems Pte. Limited, Singapore	Numeric Power systems (Mauritius) Private Limited, Mauritius.	Numeric Power Systems Proprietary Limited, South Africa	Numeric Solar Energy Private Limited, India	Amex Alloys Private Limited, India (With effect from 31.01.2011)
b) Holding Company's Interest	100%	100%	100%	100%	100%	92%
c) Net aggregate amount of subsidiaries profits / losses which concerns the members of Numeric Power Systems Limited to the extent mentioned above and not dealt with in the Company's book:						
i) For the subsidiaries' financial year ended March 31, 2011	Profit: ₹37,21,336	Profit: ₹54,36,484	Loss: ₹3,03,476	Loss: ₹6,79,015	Loss: ₹3,37,469	Profit: ₹4,40,689*
ii) For the previous financial years / period since these Companies became subsidiaries.	Loss: ₹12,40,892	Profit: ₹69,57,615	Loss: ₹3,10,844	Loss: ₹6,73,668	-	-

* The profit of ₹4,40,689 of this entity is pertaining to the period February and March 2011.



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LM ASSOCIATES
CHARTERED ACCOUNTANTS
30-2/1, Galle Road,
Colombo 06, Sri Lanka.
Tel: +94 (11) 2501677, 5667829, 5624303
Fax : +94 (11) 2507522
E-mail : lmassociates.lk

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF NUMERIC LANKA TECHNOLOGIES (PVT) LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Numeric Lanka Technologies (Pvt) Ltd which comprise the balance sheet as at 31st March 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes exhibited from 1 to 20 of the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

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 management, as well as evaluating the overall financial statement presentation.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, so far as appears from our examination, the Company maintained proper accounting records for the year ended 31st March 2011 and the financial statements give a true and fair view of the Company's state of affairs as at 31st March 2011 and its profit and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Report on Other Legal Requirements

These financial statements also comply with the requirements of Section 151(2) of the Companies Act No. 07 of 2007.

LM ASSOCIATES
Chartered Accountants
Colombo
20th May 2011

NUMERIC LANKA TECHNOLOGIES (PRIVATE) LIMITED
BALANCE SHEET
AS AT 31ST MARCH 2011

	31.03.2011 In SLR	31.03.2010 In SLR
Assets		
Non-Current Assets		
Property, Plant & equipment	4,02,486	5,05,070
Current Assets		
Inventory	1,79,19,236	2,34,16,871
Trade & other receivables	3,46,56,592	2,08,87,213
Advance payment	-	41,226
Fixed deposits	1,98,09,054	2,01,37,781
Taxation	-	75,588
Cash & cash equivalents	5,08,75,557	5,17,76,241
	12,32,60,439	11,63,34,920
Total Assets	12,36,62,925	11,68,39,990
Capital and Reserves		
Stated Capital	2,00,00,000	2,00,00,000
Retained earnings	9,09,89,312	8,25,94,697
	11,09,89,312	10,25,94,697
Current Liabilities		
Trade and other payables	1,17,63,865	1,41,48,320
Taxation	9,09,748	-
Bank overdraft	-	96,973
	1,26,73,613	1,42,45,293
Total Equity and Liabilities	12,36,62,925	11,68,39,990

for and on behalf of the Board of Directors

A.MURALIDHARAN
Director

R.CHELLAPPAN
Director

Chennai
20.05.2011



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NUMERIC LANKA TECHNOLOGIES (PVT) LTD
Income Statement for the year ended March 31, 2011

	2010/2011 In SLR	2009/2010 In SLR
REVENUE	4,25,35,584	95,47,012
Cost of Sales	(2,53,32,543)	(73,95,001)
Gross Profit	1,72,03,041	21,52,011
Other operating Income	(31,54,868)	(4,50,000)
	1,40,48,173	17,02,011
Administrative expenses	(31,79,804)	(29,69,640)
Other operating expenses	(13,52,462)	(3,74,407)
Profit from operating activities	(95,15,907)	(16,42,036)
Finance cost	(20,531)	(58,352)
Net profit before taxation	94,95,376	(17,00,388)
Taxation	(11,00,761)	(14,974)
Net Profit after taxation	83,94,615	(17,15,362)
Earnings per share	41.97	(9)

for and on behalf of the Board of Directors

A.MURALIDHARAN
Director

R.CHELLAPPAN
Director

Chennai
20.05.2011

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NUMERIC POWER SYSTEMS PTE. LTD**
For the financial year ended 31 March 2011

Report on the Financial Statements

We have audited the accompanying financial statements of Numeric Power Systems Pte Ltd (the company) as set out on pages 6 to 35, which comprise the statement of financial position as at 31st March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore companies Act, Chapter 50(the Act) and Singapore financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act, and Singapore financial Reporting standards to give a true and fair view of the state of affairs of the Company as at 31st March 2011 and the results, changes in equity and cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

K.F.HOONG & CO
Public Accountants and
Certified Public Accountants
Singapore
29th June 2011



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NUMERIC POWER SYSTEMS PTE. LTD.
STATEMENT OF FINANCIAL POSITION
As at March 31, 2011

	2011 US\$	2010 US\$
Assets		
Non-Current Assets		
Properties, plant and equipment	34,10,445	6,31,888
Current Assets		
Inventories	4,26,231	3,54,034
Trade receivables	15,75,398	18,41,529
Other receivables	272	11,612
Cash and cash equivalents	8,70,379	13,03,773
Total current assets	28,72,280	35,10,948
Total assets	6,28,725	41,42,836
Equity and Liabilities		
Equity		
Share Capital	7,45,752	7,45,752
Assets revaluation reserve	7,31,819	-
Retained earnings	20,85,502	20,76,676
Total equity	35,63,073	28,22,428
Non-Current Liabilities		
Bank borrowings	12,70,033	-
Deferred income tax liabilities	1,49,890	-
	14,19,923	-
Current Liabilities		
Trade payables	3,82,046	6,03,820
Other payables	73,936	6,08,013
Bank borrowings	8,23,747	85,031
Income tax liability	20,000	23,544
	12,99,729	13,20,408
Total liabilities	27,19,652	13,20,408
Total equity and liabilities	62,82,725	41,42,836

for and on behalf of the Board of Directors

Singapore
29th June 2011

VICK WONG
Director

R.CHELLAPPAN
Director

NUMERIC POWER SYSTEMS PTE. LTD.
STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2011

	2011 US\$	2010 US\$
Revenue	52,04,203	48,70,333
Cost of sales	(46,47,468)	(41,89,994)
Gross profit	5,56,735	6,80,339
Other income	60,579	64,576
Distribution costs	(3,67,006)	(3,13,260)
Administrative expenses	(1,50,499)	(1,80,185)
Other expenses	(9,329)	(3,434)
Finance costs	(59,297)	(643)
Profit before tax	31,183	2,47,393
Income tax	(22,357)	(23,544)
Profit for the year	8,826	2,23,849
Other comprehensive income		
Net gain on revaluation of freehold properties	7,31,819	-
Other comprehensive income for the year, net of tax	7,31,819	-
Total Comprehensive income for the year	7,40,645	2,23,849

for and on behalf of the Board of Directors

Singapore
29th June 2011

VICK WONG
Director

R.CHELLAPPAN
Director



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**NUMERIC POWER SYSTEMS (MAURITIUS) PRIVATE LTD
AUDITOR'S REPORT**

To the shareholders of NUMERIC POWER SYSTEMS (MAURITIUS) PRIVATE LTD

We have prepared, in accordance with applicable accounting standards, the annexed financial statement for the year ended 31, March 2011 on the basis of records and information provided to us.

Milton Parker
Chartered Certified Accountants, Port Louis, Mauritius
Date: 25/05/11

**NUMERIC POWER SYSTEMS (MAURITIUS) PRIVATE LTD
BALANCE SHEET - 31 MARCH 2011**

	2011 MUR	2010 MUR
ASSETS EMPLOYED		
INTANGIBLE ASSETS		
Investment and preliminary expenses	-	-
Non-current assets		
Property, plant and machinery	-	-
Current assets		
Stock	-	-
Trade and other receivables	7,00,516	6,85,517
Cash in hand and at bank	67,735	-
	7,68,251	6,85,517
TOTAL ASSETS	7,68,251	6,85,517
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	1,00,000	1,00,000
Reserves	(10,76,454)	(8,62,161)
Shareholders' interests	(9,76,454)	(7,62,161)
Shareholders' Loan	8,39,972	5,83,438
Current liabilities		
Trade and other payables	8,68,468	8,56,819
Taxation	-	-
Bank Overdraft	36,265	7,421
	9,04,733	8,64,240
TOTAL EQUITY AND LIABILITIES	7,68,251	6,85,517

For and on behalf of the Board of Directors

Place: Chennai
Date: 25/05/11

A.BALAN
Director

R.CHELLAPPAN
Director

NUMERIC POWER SYSTEMS (MAURITIUS) PRIVATE LTD
PROFIT AND LOSS ACCOUNT - YEAR ENDING 31 MARCH 2011

	2011 MUR	2010 MUR
Sales	22,820	2,12,785
Cost of sales	13,870	27,475
Gross Profit	8,950	1,85,310
Other income	-	-
Distribution costs	23,256	44,182
Administrative expenses	2,18,039	3,48,550
Other operating expenses	-	-
Operating Loss	(2,32,345)	(2,07,422)
Finance costs	(18,052)	(11,417)
Loss before taxation	(2,14,293)	(1,96,005)
Taxation	-	-
Loss after taxation	(2,14,293)	(1,96,005)
Balance B/F	(8,62,161)	(6,66,156)
Balance C/F	(10,76,454)	(8,62,161)
Loss per share	(2,142.93)	(1,960.05)

For and on behalf of the Board of Directors

Place: Chennai
Date: 25/05/11

A.BALAN
Director

R.CHELLAPPAN
Director



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NUMERIC POWER SYSTEMS (PTY) LTD

Independent Auditor's Report

To the shareholders of Numeric Power Systems (Pty) Ltd

We have audited the financial statements of Numeric Power Systems (Pty) Ltd, which comprise the balance sheet as at 31 March 2011, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the directors' report, as set out on

Directors' Responsibility for the Financial Statements

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Numeric Power Systems (Pty) Ltd as at 31 March 2011, and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, and in the manner required by the Companies Act of South Africa.

Emphasis of Matter

Without qualifying our opinion, we draw attention to the directors report which indicates that the company incurred a net loss of R 107,268 for the year ended 31 March 2011. However, as at that date, the company's total assets exceeded its total liabilities by R 50,291.

Supplementary Information

Without qualifying our opinion, we draw your attention to the fact that the supplementary information set out on page 13 does not form part of the financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Anderson Rochussen van der Bijl Inc.
Chartered Accountants (S.A.)
Registered Auditor

27 May 2011
Johannesburg

NUMERIC POWER SYSTEMS (PTY) LTD
Financial Statements for the year ended 31 March 2011

Balance Sheet as at

Figures in Rand	2011	2010
Assets		
Non-Current Assets		
Loans to shareholders	55,791	-
Current Assets		
Trade and other receivables	-	16,642
Cash and cash equivalents	-	3,81,267
	-	3,97,909
Total Assets	55,791	3,97,909
Equity and Liabilities		
Equity		
Share Capital	3,00,000	3,00,000
Accumulated loss	(2,49,709)	(1,42,441)
	50,291	1,57,559
Liabilities		
Non-Current Liabilities		
Loans from shareholders	-	2,36,351
Current Liabilities		
Trade and other payables	5,500	3,999
Total Liabilities	5,500	2,40,350
Total Equity and Liabilities	55,791	3,97,909

For and on behalf of the Board of Directors

Chennai
27.05.2011

A.BALAN
Director

R.CHELLAPPAN
Director



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Numeric Power Systems (PTY) Ltd
Financial Statements for the year ended 31 March 2011

Income Statement

Figures in Rand	2011	2010
Operating expenses	(1,08,122)	(1,15,621)
Operating loss	(1,08,122)	(1,15,621)
Investment revenue	854	5,742
Loss for the year	(1,07,268)	(1,09,879)

For and on behalf of the Board of Directors

Chennai
27.05.2011

A.BALAN
Director

R.CHELLAPPAN
Director

AUDITOR'S REPORT TO THE SHARE HOLDERS OF M/S NUMERIC SOLAR ENERGY PRIVATE LIMITED

We have audited the attached Balance Sheet of M/s NUMERIC SOLAR ENERGY PRIVATE LIMITED as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date. These financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.

We report as follows:

As per the information furnished, the company required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, statement on the matters specified in paragraphs 4 and 5 of the said Order, is not applicable to the company though the Company has commenced its operations.

Further to our comments referred to above, we state that:

- a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- b) In our opinion proper Books of Account as required by law have been kept by the Company in so far as appears from our examination of the Books.
- c) The Balance Sheet, Profit and Loss Account as referred to in this Report are in agreement with the Books of Account.
- d) In our opinion the Balance Sheet, Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e) Based on the confirmation received from the Directors of the company, and as adopted by the Board we report that no Director is disqualified as on 31st March 2011 from being appointed as a director in terms of clause (g) of Sub Section 1 of Section 274 of the Companies Act, 1956.
- f) In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principals generally accepted in India.
 - 1) In the case of the Balance Sheet of the State of Affairs of the Company as at 31st March 2011 and
 - 2) In the case of the Profit and Loss Account the Loss for the year ended on that date.

For GOPAL & MURTHI
Chartered Accountants

Place : Chennai
Date : 26.05.2011

(A. MURALIDHARAN)
Partner
M.No.19387



The ultimate in clean power

NUMERIC SOLAR ENERGY PRIVATE LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

As at 31st March 2010 ₹		As at 31st March 2011 ₹
SOURCES OF FUNDS		
	Share Holders' Funds	
	Share Capital	
	Authorised Capital	
10,00,000	25,00,000 (previous year-10,000) Equity Shares of ₹100 each	25,00,00,000
	Issued, Subscribed and Paid-up Capital	
1,00,000	4,000 (previous year-1,000) Equity Shares of ₹100 each fully paid up.	4,00,000
	- Profit and Loss Account	(3,37,469)
<u>1,00,000</u>		<u>62,531</u>
APPLICATION OF FUNDS		
	Current Assets, Loans and Advances	
	Current Assets	
	- Bank Balance in Current Account	4,09,231
	Less : Current Liabilities, Provisions and Sundry Creditors	<u>17,27,124</u>
49,061		(13,17,893)
	Miscellaneous Expenditure Preliminary Expenses to the extent not written off or adjusted	13,80,424
<u>1,00,000</u>		<u>62,531</u>

As per our Report of even date

For **GOPAL & MURTHI**
Chartered Accountants

(A.Muralidharan)
Partner

For and on behalf of the Board of Directors

A. BALAN **R. CHELLAPPAN**
Director Director

Place : Chennai
Date : 26-05-2011

NUMERIC SOLAR ENERGY PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST MARCH 2011

As at 31st March 2010 ₹	As at 31st March 2011 ₹
- INCOME	-
EXPENDITURE	
- Printing and Stationery	520
- Professional Charges	1,29,200
- Bank Charges	92,999
- Tender Fees	1,00,000
- Filing Fees	6,426
- Audit Fees	8,324
- TOTAL	3,37,469
- Profit / (Loss) before tax	(3,37,469)
- Provision for Tax	-
- Net Profit / (loss) after Tax carried to Balance sheet	(3,37,469)

As per our Report of even date

For **GOPAL & MURTHI**
Chartered Accountants

(A.Muralidharan)
Partner

For and on behalf of the Board of Directors

A.BALAN **R.CHELLAPPAN**
Director Director

Place : Chennai
Date : 26-05-2011



The ultimate in clean power

AUDITOR'S REPORT TO THE MEMBERS OF AMEX ALLOYS PRIVATE LIMITED

We have audited the attached Balance Sheet of Amex Alloys Private Limited as at 31st March 2011 and the Profit and Loss Account for the year ended on that date annexed thereto:

We 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 about 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d. In our opinion the Balance Sheet and the Profit and Loss Account dealt with by this report comply with Accounting Standard referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received, by the company, from the Directors, as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of Sub-section (1) of section 274 of the Companies Act, 1956.
 - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes thereon, give the information required by the Companies Act, 1956 in the manner required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as on 31st March, 2011, and
 - (ii) In the case of the Profit and Loss Account, of the PROFIT of the Company for the year ended on that date.

"Sethuram"
15, Sundaresa Iyer Layout
Coimbatore-641 018
26-05-2011

For **Iyer & Rao**
Chartered Accountants
FRN 010551S
S.Ramachandran
Partner. M.No.22892

ANNEXURE TO THE AUDITOR'S REPORT

(Statement referred to in Paragraph (1) of our Report of even date)

Fixed Assets:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off any part of the plant and machinery.

Inventories:

- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. We have relied on the valuation of closing stock given by the management.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed by the management on verification between the physical stocks and the book records.

Loans:

- (iii) (a) The Company has *not granted* any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (b) A sum of ₹3.19 crores received from M/s.Numeric Power Systems Ltd., and out of the said sum ₹1.00 crores was repaid during the year. The Balance outstanding as on the Balance Sheet date is ₹2.19 crores.
- (c) The rate of interest, and the terms and conditions of such loans are prima facie not prejudicial to the interest of the company.

Internal Control:

- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. The management owns up the full responsibility over the same. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

Transactions in which Directors' are interested:

- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.

Public Deposits:

- (vi) The company has not accepted any deposits from the public.

Internal Audit:

- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

Cost Records:

- (viii) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

Statutory dues:

- (ix) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor education protection fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues, applicable to it.



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(b) Disputed and unpaid statutory dues as on the Balance Sheet date are given in Notes forming part of the Balance Sheet.

Accumulated / Cash Loss:

(x) The company does not have any accumulated losses as at the end of the year and has not incurred any cash losses during the current and in the immediately preceding financial year.

Repayment of Loans:

(xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, bank. The company has not issued any debentures.

Loans against financial securities:

(xii) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

Chit fund or a nidhi / mutual benefit fund / society:

(xiii) The company is not a chit fund or a nidhi / mutual benefit fund / society. Hence clause 4(xiii) of the CARO 2003 order is not applicable.

Trading in Securities:

(xiv) The company has not dealt in or traded in shares, securities, debentures and other investments. Hence clause 4(xiv) of the CARO 2003 order is not applicable.

Corporate Guarantee:

(xv) According to the information and explanations given to us, the Company has not given any Corporate Guarantee.

Utilisation of Term Loans:

(xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.

Utilisation of Short term funds:

(xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.

Preferential allotment of Shares:

(xviii) According to the information and explanations given to us, the company has made preferential allotment of 3,75,000, 10% Cumulative Redeemable Preference Shares of ₹100/- each at par amounting to ₹3.75crores to the Holding company, M/s Numeric Power Systems Limited, a party covered in the register maintained under section 301 of the Companies Act, 1956. The prices at which such shares were allotted are not prima facie prejudicial to the interests of the company.

Security/Charge for Debentures:

(xix) The company has not issued any debentures.

End use of money on Public Issue:

(xx) The company has not raised any capital by way of public issue.

Fraud:

(xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Coimbatore
26-05-2011

For **Iyer & Rao**
Chartered Accountants
FRN 010551S

(S.Ramachandran)
Partner. M.No.22892

AMEX ALLOYS PRIVATE LIMITED
BALANCE SHEET AS ON 31st MARCH 2011

PARTICULARS	2010-2011		2009-2010	
	₹	₹	₹	₹
SOURCES OF FUNDS:				
1. SHAREHOLDERS' FUNDS				
a.Share capital	4,75,00,000		1,00,00,000	
b.Share Application Money	-		15,00,000	
c.Reserves and surplus	5,43,05,441	10,18,05,441	5,14,31,689	6,29,31,689
2. LOAN FUNDS				
a.Secured loans	4,98,20,638		5,37,56,990	
b.Unsecured loans	2,42,20,428	7,40,41,066	30,61,646	5,68,18,636
3. DEFERRED TAX LIABILITY (Net)				
		23,85,800		35,69,100
TOTAL		17,82,32,307		12,33,19,425
APPLICATION OF FUNDS:				
1. FIXED ASSETS				
a. Gross block	9,90,86,751		9,39,92,294	
b. Less : Depreciation	1,69,11,694		1,25,22,258	
c. Net block	8,21,75,057		8,14,70,036	
d. Add : Capital work-in-progress	97,33,057	9,19,08,114	-	8,14,70,036
2. CURRENT ASSETS, LOANS AND ADVANCES				
a. Inventories	8,06,33,370		4,50,88,746	
b.Sundry debtors	4,71,04,352		4,33,76,599	
c.Cash and bank balances	5,70,532		5,19,716	
d. Loans and Advances	1,83,01,419		60,04,858	
TOTAL 'A'	14,66,09,673		9,49,89,918	
3. CURRENT LIABILITIES AND PROVISIONS				
a.Current liabilities	5,88,08,180		5,23,15,326	
b.Provisions	14,77,300		8,25,203	
TOTAL 'B'	6,02,85,480		5,31,40,529	
NET CURRENT ASSETS (A-B)		8,63,24,193		4,18,49,389
TOTAL		17,82,32,307		12,33,19,425

As per our report annexed
for **Iyer & Rao**
Chartered Accountants
FRN: 010551S

S.RAMACHANDRAN
Partner
Membership No.: 22892
Place: Coimbatore
Date: 26.05.2011

For and behalf of the Board

V.C.RAGHUNATH **R.CHELLAPPAN**
Director Managing Director



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AMEX ALLOYS PRIVATE LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	2010-2011		2009-2010	
	₹	₹	₹	₹
INCOME				
Turnover (Gross)	19,68,00,295		14,24,25,374	
Less : Duties and Taxes	1,14,72,516	18,53,27,779	61,55,493	13,62,69,881
Other Income		1,01,05,368		34,11,168
		19,54,33,147		13,96,81,049
EXPENDITURE				
Materials and Other Expenditure		18,21,04,631		12,58,27,534
Depreciation		43,89,436		40,18,807
Interest On				
Term Loans	5,04,930		11,30,084	
Others	61,46,072	66,51,002	68,63,210	79,93,294
		19,31,45,069		13,78,39,635
PROFIT BEFORE TAX		22,88,078		18,41,414
Less: Provision for Income tax				
Provision for current tax				
- Current Tax	5,97,626		3,54,000	
- Deferred tax	(11,83,300)	(5,85,674)	5,63,251	9,17,251
Profit After Tax		28,73,752		9,24,164
ADD: Balance of Profit Brought forward from Previous Year		78,25,189		69,01,025
BALANCE CARRIED OVER TO BALANCE SHEET		1,06,98,941		78,25,189
Basic and diluted Earnings per share of ₹10/- each		2.87		1.54

As per our report annexed
for **Iyer & Rao**
Chartered Accountants
FRN: 010551S

For and behalf of the Board

V.C.RAGHUNATH **R.CHELLAPPAN**
Director Managing Director

S.RAMACHANDRAN
Partner
Membership No.: 22892
Place: Coimbatore
Date: 26.05.2011

AUDITORS' REPORT

The Board of Directors

Numeric Power Systems Limited

1. We have audited the attached consolidated balance sheet of Numeric Power Systems Limited, ('the Company') its subsidiaries, joint venture and associate as at 31st March 2011, and also the consolidated profit and loss account and the consolidated 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 regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹502.01 lakhs as at 31st March 2011, the total revenue of ₹306.65 lakhs and cash outflows amounting to ₹137.68 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
4. We did not audit the financial statements of a joint venture, whose financial statements reflect total assets of ₹34.93 lakhs as at 31st March 2011, the total revenue of ₹ Nil and cash outflows amounting to ₹0.91 lakhs for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors.
5. We did not audit the financial statements of an associate, which has been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. The attached consolidated financial statements include share of ₹0.05 lakhs representing the group's share of profits of these associates for the year ended March 31, 2011.
6. *The attached consolidated financial statements include ₹54.36 lakhs (Previous year ₹73.52 lakhs) in profit, total revenue of ₹2,393.74 lakhs (Previous year ₹2,341.44 lakhs), cash outflow amounting to ₹94.11 lakhs (Previous year ₹32.33 lakhs) for the year ended March 31, 2011 and the total assets of ₹2,405.80 lakhs (Previous year ₹1,835.72 lakhs) as at March 31, 2011 of one of the subsidiaries, Numeric Power Systems Pte Limited, Singapore, which is based on unaudited financial statements of the subsidiary. The effect of adjustments, if any, that may have been required to be made to the attached consolidated financial statement, had the financials of this subsidiary been audited, is not ascertainable.*
7. We report that the consolidated financial statements have been prepared by the management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended).
8. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, *subject to our comment in paragraph 6, the effect of which on the attached consolidated financial statements is not currently ascertainable*, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the consolidated balance sheet, of the state of affairs of the Numeric Power Systems Limited, its subsidiaries, joint venture and associate as at 31st March 2011;
 - (b) in the case of the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

For S.R. BATLIBOI & ASSOCIATES

Firm registration number: 101049W
Chartered Accountants

per SUBRAMANIAN SURESH

Partner
Membership No.: 083673

Chennai
May 30, 2011



The ultimate in clean power

Consolidated balance sheet as at March 31, 2011

(All amounts are in Indian Rupees unless otherwise stated)

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	10,10,58,400	10,10,58,400
Reserves and surplus	2	245,76,84,349	206,10,29,220
		<u>255,87,42,749</u>	<u>216,20,87,620</u>
Minority Interest		51,44,459	-
Loan funds			
Secured loans	3	49,04,57,339	24,51,73,891
Unsecured loans	4	1,25,713	-
		<u>49,05,83,052</u>	<u>24,51,73,891</u>
Deferred Tax Liability	5	6,57,40,606	6,22,69,579
TOTAL		312,02,10,866	246,95,31,090
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	6	114,90,49,859	90,32,77,576
Less : Accumulated depreciation and amortisation		26,81,82,221	20,11,45,929
Net block		<u>88,08,67,638</u>	<u>70,21,31,647</u>
Capital work-in-progress including capital advances		3,25,87,415	1,99,26,323
		<u>91,34,55,053</u>	<u>72,20,57,970</u>
Investments	7	2,62,67,750	62,73,330
Current Assets, Loans and Advances			
Inventories	8	123,22,07,597	96,49,13,680
Sundry Debtors	9	128,79,96,762	106,42,23,707
Cash and bank balances	10	26,81,78,273	18,86,46,711
Other current assets	11	17,26,439	13,00,759
Loans and advances	12	17,88,12,253	16,69,79,753
Less: Current Liabilities and Provisions			
Current Liabilities	13	68,89,60,534	55,12,90,824
Provisions	14	9,94,72,727	9,35,73,996
Net Current Assets		218,04,88,063	174,11,99,790
TOTAL		312,02,10,866	246,95,31,090

Notes to Accounts

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The schedules referred to above and notes to accounts form an integral part of the Consolidated Balance Sheet

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES**

Firm registration number: 101049W

Chartered Accountants

per **SUBRAMANIAN SURESH**

Partner

Membership No.: 083673

Place: Chennai

Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN

Director

R.CHELLAPPAN

Managing Director

B.SRINIVASAN

Company Secretary

Place: Chennai

Date: May 30, 2011

Consolidated Profit and loss account for the year ended March 31, 2011

(All amounts are in Indian Rupees unless otherwise stated)

	Schedule	Year ended March 31, 2011	Year ended March 31, 2010
INCOME			
Turnover (Gross)		482,28,60,733	437,64,20,959
Less : Excise duty		25,57,17,800	19,69,12,367
Turnover (Net)		456,71,42,933	417,95,08,592
Service income		52,72,13,377	42,27,56,665
Other income	15	4,23,72,236	7,55,34,984
TOTAL		513,67,28,546	467,78,00,241
EXPENDITURE			
Personnel expenses	16	47,33,96,275	41,92,46,586
Manufacturing and other expenses	17	411,68,19,079	367,99,69,845
Increase in inventories	18	(6,34,00,489)	(90,05,720)
Depreciation / amortisation	6	5,12,69,293	4,82,81,827
Financial expenses	19	4,16,14,314	3,52,56,390
TOTAL		461,96,98,472	417,37,48,928
Share in (loss) / profit of Associate Company		(5,580)	(5,198)
Profit before tax		51,70,24,494	50,40,46,115
Provision for current tax			
- Current tax [including ₹ Nil (previous year ₹40,00,000) made for earlier years]		10,66,22,185	11,57,66,117
- Deferred tax		8,88,012	89,45,292
Net Profit after tax		40,95,14,297	37,93,34,706
Balance brought forward from previous year		184,20,97,360	153,49,01,773
Profit available for appropriation		225,16,11,657	191,42,36,479
Appropriations:			
Proposed final dividend		3,03,17,520	3,03,17,520
Tax on dividend		49,18,260	50,35,361
Transfer to general reserve		4,02,19,050	3,67,86,238
		7,54,54,830	7,21,39,119
Surplus carried to Balance Sheet		217,61,56,827	184,20,97,360
Earnings per share			
- Net profit attributable to equity shareholders		40,95,14,297	37,93,34,706
- Weighted average number of equity shares (Nos)		1,01,05,840	1,01,05,840
- Basic and diluted earnings per share (₹)		40.52	37.54
- Nominal value per equity share (₹)		10	10

Notes to Accounts

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The schedules referred to above and notes to accounts form an integral part of the Consolidated Profit and Loss account.

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES**

Firm registration number: 101049W

Chartered Accountants

per **SUBRAMANIAN SURESH**

Partner

Membership No.: 083673

Place: Chennai

Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN

Director

R.CHELLAPPAN

Managing Director

B.SRINIVASAN

Company Secretary

Place: Chennai

Date: May 30, 2011



The ultimate in clean power

Schedules to Consolidated Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 1 : Share Capital		
Authorised		
2,00,00,000 (previous year - 2,00,00,000) equity shares of ₹10/- each	20,00,00,000	20,00,00,000
Issued		
1,01,05,840 (previous year - 1,01,05,840) equity shares of ₹10/- each fully called	10,10,58,400	10,10,58,400
Subscribed and paid up		
1,01,05,840 (previous year - 1,01,05,840) equity shares of ₹10/- each fully paid	10,10,58,400	10,10,58,400
Of the above:		
(i) 12,50,000 (previous year - 12,50,000) equity shares of ₹10/- each were allotted as fully paid up bonus shares by capitalisation of Profit and Loss account.		
(ii) 9,45,000 (previous year - 9,45,000) equity shares of ₹10/- each were allotted as fully paid up pursuant to a contract for consideration other than cash.		
(iii) 52,920 (previous year - 52,920) equity shares of ₹10/- each were allotted as fully paid up pursuant to merger of UPS division of Numeric Electronics (P) Ltd for consideration other than cash.		
(iv) 50,52,920 (previous year-50,52,920) equity shares of ₹10/- each are allotted as fully paid up bonus shares by capitalisation of Securities Premium.		
Schedule 2 : Reserves and Surplus		
Securities Premium		
Opening balance	1,82,68,300	6,87,97,500
Less: Capitalisation of securities premium for bonus issue	-	(5,05,29,200)
	1,82,68,300	1,82,68,300
Capital reserve		
Balance as per last account	1,52,63,880	1,52,63,880
Add: Addition during the year (refer Note 3A to Schedule 20)	1,65,49,193	-
	3,18,13,073	1,52,63,880
General Reserve		
Balance as per last account	19,71,70,879	16,03,84,641
Add: Transferred from Profit and Loss Account	4,02,19,050	3,67,86,238
	23,73,89,929	19,71,70,879
Foreign Currency Translation Adjustment		
Balance as per last account	(1,17,71,199)	1,24,46,705
Add: Additions during the year	58,27,419	(2,42,17,904)
	(59,43,780)	(1,17,71,199)
Profit and Loss Account	217,61,56,827	184,20,97,360
	245,76,84,349	206,10,29,220
Schedule 3 : Secured Loans		
From banks		
Working capital loans*	8,97,56,737	3,00,00,000
Buyer's credit*	34,50,69,950	21,50,65,602
Interest accrued and due*	-	1,08,289
Term loans #	5,56,30,652	-
	49,04,57,339	24,51,73,891

*(Working capital Loan aggregating to ₹49,756,737 of Amex Alloys Private Limited ('AAPL') is secured by hypothecation of the plant and machinery and current assets of AAPL and Equitable mortgage of the land and building of AAPL.

The balance working capital loan of ₹40,000,000 and buyer's credit of ₹34,50,69,950 pertaining to Numeric Power Systems Limited is secured by a pari passu charge on stock, book debts and fixed assets both present and future and Equitable mortgage in respect of immovable properties situated at Pondicherry and Semmancherry and personal guarantee by two directors).

(Term loan pertaining to Numeric Power Systems Pte Limited, Singapore is secured by mortgage over the freehold properties at Singapore, purchased there against)

Schedules to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 4 : Unsecured Loans		
Other loans and advances		
Banks	1,25,713	-
	<u>1,25,713</u>	<u>-</u>
Schedule 5: Deferred Tax Liability		
Differences in depreciation as per tax books and as per financial books.	6,79,36,171	6,71,28,909
Provision for doubtful advances	(10,49,341)	(10,49,341)
Others	(11,46,224)	(38,09,989)
	<u>6,57,40,606</u>	<u>6,22,69,579</u>
Schedule 6 on fixed assets is set out in the following page		
Schedule 7 : Investments		
Long Term Investments (Unquoted, at cost)		
Other than trade:		
3,00,000 (previous year - 3,00,000) equity shares of ₹10/- each fully paid in Gem Sugars Limited	30,00,000	30,00,000
Associate (non trade):		
12,250 (previous year - 12,250) equity shares of ₹100/- each fully paid in NPSL - Sunpac Power Protection Private Limited	12,25,000	12,25,000
Add: Share of accumulated profit in Associate Company	20,42,750	20,48,330
Current Investments (quoted, at lower of cost and market value)		
Mutual funds (non-trade)		
9,598 (Previous Year - Nil) units of ₹10/- each fully paid of HDFC Prudence Fund-growth plan	20,00,000	-
2,32,887 (Previous Year - Nil) units of ₹10/- each fully paid of Reliance Regular Savings Fund - Debt Plan - Growth plan	30,00,000	-
2,82,736 (Previous Year - Nil) units of ₹10/- each fully paid of Templeton India Income Opportunities Fund - Growth plan	30,00,000	-
6,00,000 (Previous Year - Nil) units of ₹10/- each fully paid of Reliance Fixed Horizon Fund - X v Series 8 Growth Plan	60,00,000	-
3,54,032 (Previous Year - Nil) units of ₹10/- each fully paid of Birla Sunlife Mip li - Savings 5 Plan - Growth plan	60,00,000	-
	<u>2,62,67,750</u>	<u>62,73,330</u>
Aggregate book value of quoted investments ((Market value ₹2,06,95,101 (Previous year ₹ Nil))	2,00,00,000	-
Aggregate Book Value of Unquoted Investments	58,55,438	62,73,330
Schedule 8 : Inventories (at lower of cost and net realisable value)		
Raw materials and components (includes goods in transit ₹ Nil; previous year ₹7,79,56,179)	74,08,74,740	58,93,44,869
Work-in- progress	6,92,92,527	3,01,02,648
Finished goods(includes goods in transit ₹ Nil; previous year ₹4,27,19,312)	42,20,40,330	34,54,66,163
	<u>123,22,07,597</u>	<u>96,49,13,680</u>

Schedules to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

Schedule 6 : Fixed Assets

Particulars	Gross block				Accumulated depreciation / amortisation				Net block		
	As at April 1, 2010	Additions (Note 1)	Assets acquired on acquisition*	Deletions	As at March 31, 2011	As at April 1, 2010	Charge during the year (Note 1)	Deletions	Accumulated depreciation on assets acquired on acquisition*	As at March 31, 2011	As at March 31, 2010
Land	10,30,00,334	-	4,38,75,000	-	14,68,75,334	-	-	-	-	14,68,75,334	10,30,00,334
Leasehold land	1,08,15,430	-	-	-	1,08,15,430	3,27,708	1,09,236	-	-	1,03,78,486	1,04,87,722
Leasehold improvements	20,83,295	-	-	-	20,83,295	9,36,055	4,16,659	-	-	7,30,581	11,47,240
Building	36,87,17,094	10,19,76,825	1,29,78,225	-	48,36,72,144	3,46,64,971	1,25,06,783	-	16,57,940	43,48,42,450	33,40,52,123
Plant and machinery	19,59,71,046	96,51,766	3,22,60,410	-	23,78,83,222	5,70,44,185	1,49,66,760	-	1,05,31,707	15,53,40,570	13,89,26,861
Office equipment and electrical equipment	4,92,82,392	72,96,038	18,83,701	-	5,84,62,131	1,68,76,841	26,38,468	-	5,95,216	3,83,51,606	3,24,05,551
Computers	4,59,63,651	53,02,058	14,23,043	-	5,26,88,752	2,62,07,843	58,79,149	-	8,32,936	1,97,68,824	1,97,55,808
Furniture and fittings	3,96,53,264	94,94,976	25,00,699	-	5,16,48,939	2,00,63,100	27,82,373	-	7,80,791	2,80,22,675	1,95,90,164
Vehicles	4,09,77,230	1,08,70,145	33,83,829	6,97,232	5,45,33,972	1,71,86,118	39,01,215	6,97,232	17,81,532	3,23,62,339	2,37,91,112
Intangibles											
Software	3,29,97,780	35,72,800	-	-	3,65,70,580	1,54,04,654	69,71,153	-	-	1,41,94,773	1,75,93,126
Goodwill	1,38,16,060	-	-	-	1,38,16,060	1,24,34,454	13,81,606	-	-	-	13,81,606
	90,32,77,576	14,81,64,608	9,83,04,907	6,97,232	114,90,49,859	20,11,45,929	5,15,53,402	6,97,232	1,61,80,121	26,81,82,221	70,21,31,647
Previous year	65,99,97,481	24,42,45,029	-	9,64,934	90,32,77,576	15,40,11,904	4,80,05,186	8,71,161	-	70,21,31,647	-

* Represents additions to gross block of fixed assets and accumulated depreciation relating to Amex Alloys Private Limited acquired during the current year.

Notes:

1. Additions and depreciation charge for the period include foreign currency translation adjustment arising on consolidation of a foreign subsidiary aggregating to ₹18,91,436] [Previous Year - ₹22,56,967] and ₹2,84,108] [Previous Year - ₹2,76,641] respectively.

Schedules to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 9 : Sundry Debtors		
Debts outstanding for a period exceeding six months		
- Unsecured, considered good	8,44,96,321	6,75,85,152
Other debts		
- Unsecured, considered good	120,35,00,441	99,66,38,555
	128,79,96,762	106,42,23,707
Schedule 10 : Cash and Bank Balances		
Cash on hand	2,23,35,149	4,83,286
Balances with banks:		
On current accounts	16,98,88,614	13,92,32,487
On deposit accounts	7,51,17,495	4,80,01,253
On unpaid dividend accounts	8,37,015	9,29,685
	26,81,78,273	18,86,46,711
Schedule 11 : Other current assets (Unsecured, considered good)		
Interest accrued on bank deposits	17,26,439	13,00,759
	17,26,439	13,00,759
Schedule 12 : Loans and Advances		
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	5,89,75,002	4,64,71,398
Advance tax and tax deducted at source, net of provision for income tax	46,68,512	1,85,25,357
Earnest money deposit	2,00,30,377	1,15,10,340
Deposits – others	1,97,54,487	1,61,34,329
Balances with Government departments	7,53,83,875	7,43,38,329
Unsecured, considered doubtful		
Balances with Government departments	31,59,000	31,59,000
Less : Provision for doubtful advances	(31,59,000)	(31,59,000)
	17,88,12,253	16,69,79,753
Schedule 13 : Current Liabilities		
Sundry creditors	57,47,44,796	45,74,26,041
Advance from customers	2,07,26,728	1,31,34,774
Deferred service income	5,43,10,172	4,95,24,360
Unpaid dividend*	8,37,015	9,29,685
Other liabilities	3,83,41,823	3,02,75,964
	68,89,60,534	55,12,90,824

*Investor Education and Protection Fund shall be credited by Unpaid dividend (as and when due)



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Schedules to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

	March 31, 2011	March 31, 2010
Schedule 14: Provisions		
Proposed dividend	3,03,17,520	3,03,17,520
Tax on proposed dividend	49,18,260	50,35,361
Provision for income tax (net of advance tax and tax deducted at source)	9,32,815	-
Provision for gratuity #	68,14,852	56,05,989
Provision for leave encashment	99,01,709	1,17,63,877
Provision for warranty:		
Balance, beginning of year	4,08,51,249	3,33,61,668
Additions during the year	2,25,44,918	1,82,99,613
Amounts used during the year	(1,68,08,596)	(1,08,10,032)
Unused amounts reversed during the year	-	-
Balance, end of year	4,65,87,571	4,08,51,249
	9,94,72,727	9,35,73,996
# Refer note 6 of schedule 20		
	Year ended	Year ended
	March 31, 2011	March 31, 2010
Schedule 15 : Other income		
Interest on bank deposits	21,97,185	12,21,259
Dividend income - long term, non-trade	1,50,000	3,00,000
Profit on sale of asset	1,15,874	32,492
Foreign exchange gains, net	3,04,36,293	6,35,37,156
Miscellaneous income	94,72,884	1,04,44,077
	4,23,72,236	7,55,34,984
Schedule 16 : Personnel Expenses		
Salaries, wages and bonus	41,59,48,344	36,85,41,519
Contribution to provident and other funds	2,96,73,246	2,36,26,902
Gratuity expense (Refer note 6 of schedule 20)	72,16,808	66,05,989
Workmen and staff welfare expenses	2,05,57,877	2,04,72,176
	47,33,96,275	41,92,46,586
Schedule 17 : Manufacturing and Other Expenses		
Raw materials and components consumed	219,97,45,514	197,94,91,781
Purchase of traded goods	130,25,40,597	116,46,21,849
Sub-contracting and processing expenses	6,40,99,826	6,21,09,188
Power and fuel	1,58,44,085	1,13,64,118
Freight and forwarding charges	13,30,00,963	11,43,38,005
Rates and taxes	2,39,06,739	1,60,23,185
Rent	3,08,19,845	3,46,99,960
Insurance	68,81,189	68,88,490
Repairs and maintenance		
- Buildings	11,07,651	8,73,537
- Plant & Machinery	12,22,664	20,28,926
- Others	2,24,84,616	1,92,38,741
Sales promotion and commission	13,23,74,477	9,58,36,907
Advertisement	1,12,69,923	2,42,76,059
Travelling and conveyance	9,00,13,032	7,34,24,678
Communication costs	1,58,34,642	1,75,31,746
Printing and stationery	94,68,289	73,98,894
Legal and professional fees	1,76,00,932	1,31,89,469
Increase/(decrease) of Excise duty on Inventory of finished goods	14,61,170	(13,07,707)
Loss on discontinuance of operations in subsidiary (Refer note 3(B) of Schedule 20)	5,50,547	-
Remission and write off of debts	49,02,947	88,50,022
Miscellaneous expenses	3,16,89,431	2,90,91,997
	411,68,19,079	367,99,69,845

Schedules to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

	Year ended March 31, 2011	Year ended March 31, 2010
Schedule 18 : Increase in inventories		
Inventories, beginning of year		
- Work-in-progress	3,01,02,648	1,95,95,213
- Finished goods	34,54,66,163	34,69,67,878
	37,55,68,811	36,65,63,091
Inventories, acquired on acquisition		
- Work-in-progress	4,77,34,871	-
- Finished goods	42,23,541	-
	5,19,58,412	-
	42,75,27,223	36,65,63,091
Inventories, end of year		
- Work-in-progress	6,92,92,527	3,01,02,648
- Finished goods	42,16,35,185	34,54,66,163
	49,09,27,712	37,55,68,811
	(6,34,00,489)	(90,05,720)
Schedule 19 : Financial Expenses		
Interest		
- on Term loan	84,155	-
- on Working capital	49,80,550	55,81,270
- others	64,25,947	21,82,503
Bank and other charges	3,01,23,662	2,74,92,617
	4,16,14,314	3,52,56,390

Schedule 20: Notes to Consolidated Financial Statements

(All amounts are in Indian Rupees unless otherwise stated)

Company overview

Numeric Power Systems Limited ('the Company') along with its subsidiaries, joint venture and associate, together referred to as ('the Group') is primarily engaged in the manufacture, sale and trading of Uninterruptible Power Supply ('UPS') systems and accessories and has its manufacturing facilities at Pondicherry, Chennai, Salem, Himachal Pradesh and Srilanka. The Group also provides maintenance and other after sale services in respect of UPS systems.

1. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with Indian GAAP under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006 and guidelines issued by SEBI. The consolidated financial statements ('CFS') have been prepared in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements, Accounting Standards (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27, Financial Reporting of Interests in Joint Ventures notified pursuant to the Companies (Accounting Standards) Rules, 2006, (as amended). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

Schedule 20: Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

- (i) The particulars of subsidiary companies, which are included in consolidation and the Company's holding therein, are as under:

Name	Country of Incorporation	Percentage Holding as at March 31, 2011	Percentage Holding as at March 31, 2010
Numeric Power Systems Pte Ltd. ('Numeric Singapore')	Singapore	100 %	100 %
Numeric Lanka Technologies (Private) Ltd. ('Numeric Lanka')	Sri Lanka	100 %	100 %
Numeric Power Systems (Mauritius) Private Ltd. ('Numeric Mauritius')	Mauritius	100%	100%
Numeric Power Systems Proprietary Limited, South Africa.	South Africa	-	100%
Numeric Solar Energy Private Limited	India	100%	100%
Amex Alloys Private Limited	India	92%	-

- (ii) The particulars of joint venture company, which is included in consolidation and the Company's holding therein, are as under:

Name	Country of Incorporation	Percentage Holding as at March 31, 2011	Percentage Holding as at March 31, 2010
Numeric Infrastructure Services Private Limited ('Numeric Infrastructure')	India	50%	50%

- (iii) The particulars of associate company, which is included in consolidation and the Company's holding therein, are as under:

Name	Country of Incorporation	Percentage Holding as at March 31, 2011	Percentage Holding as at March 31, 2010
NPSL Sunpac Power Protection Private Limited ('Numeric Sunpac')	India	49%	49%

- (iv) The financial statements of the subsidiaries, joint venture and associate used for consolidation are drawn for the same reporting period as that of the Company i.e. year ended March 31, 2011.
- (v) The financial statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses and after eliminating intra-group balances, intra-group transactions and unrealized profits/losses.
- (vi) The Company has prepared the accompanying CFS by including the Company's proportionate interest in the joint venture's assets, liabilities, income, expenses etc on a line by line basis. Intra-group balances, intra-group transactions and unrealized profits / losses have been eliminated to the extent of the Company's proportionate share.
- (vii) The investment in the associate company has been accounted under the equity method as per Accounting Standard 23 – 'Accounting for Investments in Associates in Consolidated Financial Statements' issued by the Institute of Chartered Accounts of India ('ICAI'). The Company's share in profits / losses of an associate company is accounted for to the extent of the Company's percentage holding in its share capital.
- (viii) The CFS has been prepared using uniform accounting policies, except as stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- (ix) The attached consolidated financial statement include ₹54.36 lakhs (Previous year ₹73.52 lakhs) in profit, total revenue of ₹2,393.74 lakhs (Previous year ₹2,341.44 lakhs), cash outflow amounting to ₹194.11 lakhs (Previous year ₹32.33 lakhs) for the year ended March 31, 2011 and the total assets of ₹2,405.80 lakhs (Previous year ₹1,835.72 lakhs) as at March 31, 2011 of one of the subsidiaries, Numeric Power Systems Pte Limited, Singapore, which is based on unaudited financial statements of the subsidiary. The effect of adjustments, if any, that may have been required to be made to the attached consolidated financial statement, had the financials of this subsidiary been audited, is not ascertainable.

Schedule 20: Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of income and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future years.

(b) Fixed assets and Intangible assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(c) Depreciation and amortisation

Depreciation is provided using the Straight Line Method as per the useful lives of the assets as estimated by the management. The Management estimates the useful lives of fixed assets as as follows:

Building	1% - 3.34%
Plant and machinery (Other than Windmills)	4.75%
Windmills (included under Plant & Machinery)	10.00%
Office equipment, electrical etc	4.75%
Computers	16.21%
Furniture and fittings	6.33%
Vehicles	9.50%

Assets individually costing ₹5,000 or less are fully depreciated in the year of purchase.

Leasehold improvements are amortized using the Straight Line Method over their estimated useful lives (5 years) or the remainder of primary lease period, whichever is lower.

Intangible assets comprising goodwill and software are amortized using the straight-line method over a period of five years.

(d) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal / external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(e) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of long-term investments.

(f) Inventories

Inventories are valued as follows:

Raw materials, stores and spares	Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
Work-in-progress and finished goods	Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

Schedule 20: Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

(g) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Sales

Sales of UPS systems and accessories are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Revenues under composite contracts comprising supply, installation and commissioning are recognized on dispatch as such services are generally considered insignificant to the contract. Sales are net of excise duty and sales tax. Excise Duty deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability arisen during the year.

Service income

Service income is recognized pro-rata over the period of the contract with customers.

Interest

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognized when the Company's right as a shareholder / unit holder to receive payment is established by the balance sheet date.

(h) Foreign currency transactions and translations

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Translation of Integral and Non-integral foreign operation

In translating the financial statements of a non-integral foreign operation for incorporation in financial statements, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operation are translated at the closing rate; income and expense items of the non-integral foreign operation are translated at exchange rates at the dates of the transactions; and all resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or as expenses in the same period in which the gain or loss on disposal is recognised.

Forward exchange contracts, not intended for trading or speculation purposes:

The premium or discount arising at the inception of forward exchange contracts is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as expense for the year.

(i) Retirement and other employee benefits

- i. A retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to regional provident fund.

Schedule 20: Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

- ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year.
- iii. Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.
- iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

(j) Income taxes

- i. Provision for income tax is made for current and deferred taxes. Current income tax expense comprises taxes on income from operations in India and in foreign jurisdictions. Income tax payable in India is determined in accordance with the provisions of the Income Tax Act, 1961. Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets, other than those arising from undertakings enjoying tax holiday benefits, are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The Company claims tax holiday benefits under Section 80-IB, Section 80-IC and Section 10-B of the Income Tax Act, 1961 with respect to certain undertakings. Deferred tax assets or liabilities relating to such undertakings are recognised in these financial statements for the future tax consequences attributable to differences between taxable income and accounting income for the year, to the extent that such differences are not expected to reverse within the tax holiday period.

- ii. Deferred tax assets and liabilities across various countries of operation are not set off against each other as the company does not have a legal right to do so.
- iii. Provision for income-tax has been determined on the basis of the tax laws of the respective countries in which the companies have been incorporated.

(k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period is adjusted for bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

(l) Leases

Leases where, the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(m) Provision

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Provision is recognized for expected warranty claims on products sold during the last two years, based on past experience of level of repairs and returns. It is expected that most of this cost will be paid in the next two to five years of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about returns based on the two year warranty period for all products sold.

Schedule 20 : Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

(n) **Cash and Cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(o) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. INVESTMENTS:

3A. **Investment in Amex Alloys Private Limited:**

The Company had entered into a Share Purchase Agreement on December 05, 2010, with the majority shareholders of M/s. Amex Alloys Private Limited ('AAPL') for acquisition of Equity Shares upto 92% and takeover of the Management Control and the acquisition has been completed on 31st January 2011. The total consideration paid for acquisition is ₹421.71 lakhs. The excess of net assets of AAPL over the purchase consideration to the extent of ₹165.49 lakhs is recognised as capital reserve. The profit and loss account for the year includes revenue of ₹328 lakhs and profit of ₹4.40 lakhs of AAPL.

3B. **Investment in Numeric Power Systems Proprietary Limited, South Africa ('NPSPL'):**

During the year the management of the Company had applied for deregistration of NPSPL on March 29, 2011. Consequent to the above NPSPL discontinued its operations and the loss incurred on account of such disposition of the investment aggregating to ₹5,50,547 has been included and disclosed separately in Schedule 16 – Manufacturing and Other Expenses.

4. **Contingent liabilities not provided for**

Particulars	As at March 31, 2011	As at March 31, 2010
Claims against the Group not acknowledged as debts		
a) Excise / CENVAT related matters	26,30,000	26,30,000
b) Sales tax related matters	10,00,000	10,00,000

5. **Lease commitments - Operating Leases**

Particulars	As at March 31, 2011	As at March 31, 2010
Lease payment for the year	3,08,19,845	3,46,99,960
Minimum Lease Payments:		
Not later than one year	80,55,449	50,53,216
Later than one year but not later than five years	56,39,863	32,02,583
Later than five years	5,85,910	6,18,512
	1,42,81,222	88,74,311
Payments for non-cancellable leases during the year	43,50,000	43,50,000

The lease term ranges between 1 and 6 years. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases.

5A **Capital commitments:**

	As at March 31, 2011	As at March 31, 2010
Estimated amount of contracts remaining to be executed on capital account and not provided for	47,44,827	1,29,26,205

Schedule 20 : Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

6. Employee benefit plans

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

Long term compensated absences are provided for based on actuarial valuation as per projected unit credit method made at the end of each financial year.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the gratuity plan.

Net employee benefit expense (recognised in Personnel Expenses)

Particulars	2010 - 2011	2009 - 2010
Current service cost	45,62,912	43,39,365
Interest cost on benefit obligation	23,12,386	18,16,342
Expected return on plan assets	(23,95,365)	(18,32,804)
Net actuarial (gain) / loss recognised in the year	27,36,875	22,83,086
Net benefit expense	72,16,808	66,05,989
Actual return on plan assets	(23,95,365)	(18,32,804)

Details of provision for gratuity

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation as at the end of the year	3,65,12,878	2,89,04,822
Less : Fair value of plan assets at the end of the year	(2,96,98,026)	(2,32,98,833)
Plan asset / (Liability)	68,14,852	56,05,989

Changes in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Present value of obligation at the beginning of the year	2,89,04,822	2,27,04,272
Interest Cost	23,12,386	18,16,342
Obligations on account of acquisition during the year	4,71,203	-
Current service cost	45,62,912	43,39,365
Benefits paid	(24,75,320)	(22,38,243)
Actuarial (gain) / loss on obligation	27,36,875	22,83,086
Present value of obligation as at the end of the year	3,65,12,878	2,89,04,822

Changes in the fair value of plan assets are as follows:

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Fair value of planned assets at the beginning of the year	2,32,98,833	1,69,27,698
Expected return on plan assets	23,95,365	18,32,804
Contributions	64,79,148	67,76,574
Benefits paid	(24,75,320)	(22,38,243)
Actuarial (gain) / loss on fair value of plan assets	-	-
Fair value of plan assets at the end of the year	2,96,98,026	2,32,98,833

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Defined Benefit Obligation	3,65,12,878	2,89,04,822
Plan Assets	2,96,98,026	2,32,98,833
(Surplus) / deficit	68,14,852	56,05,989

Experience adjustments on:

Year ended	Plan liabilities	Plan assets
March 31st, 2011	27,36,875	-
March 31st, 2010	22,83,086	-
March 31st, 2009	52,20,462	-
March 31st, 2008	29,22,619	-

Schedule 20 : Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

The principal assumptions used in determining gratuity benefit obligation for the Company's plan is shown below:

Particulars	2010 - 2011	2009 - 2010
Discount rate (p.a.)	8.0%	8.0%
Expected return on plan assets (p.a)	8.0%	8.0%
Employee turnover	1% - 3%	1% - 3%
Contribution expected to be paid during the next year	50,00,000	50,00,000

The fund is administered by Life Insurance Corporation of India ("LIC"). The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the year over which the obligation is to be settled.

The estimates of future salary increases and rate of attrition considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

7. Related party transactions

Particulars	Associates / Joint Ventures / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Receipt of services	8,67,600	8,06,467	-	-	-	-	8,67,600	8,06,467
-Numeric Technologies Private Limited	8,67,600	8,06,467	-	-	-	-	8,67,600	8,06,467
Rent Received	24,000	24,000	-	-	-	-	24,000	24,000
Numeric Technologies Private Limited	24,000	24,000	-	-	-	-	24,000	24,000
Rent Expense	43,50,000	43,50,000	-	1,68,000	-	-	43,50,000	45,18,000
Numeric Electronics Private Limited	43,50,000	43,50,000	-	-	-	-	43,50,000	43,50,000
Mr R.Chellappan	-	-	-	1,68,000	-	-	-	1,68,000
Remuneration	-	-	1,36,71,317	1,25,66,669	12,07,624	11,80,530	1,48,78,941	1,37,47,199
Mr R.Chellappan	-	-	81,16,317	75,41,669	-	-	81,16,317	75,41,669
Mr A.Balan	-	-	34,40,833	31,75,000	-	-	34,40,833	31,75,000
Mr K V Nachiappan	-	-	21,14,167	18,50,000	-	-	21,14,167	18,50,000
Mr V.C.Ragunath	-	-	-	-	4,85,762	4,80,036	4,85,762	4,80,036
Miss V.C.Mirunalini	-	-	-	-	2,66,310	2,89,050	2,66,310	2,89,050
Miss Aarthi Balan	-	-	-	-	4,55,552	4,11,444	4,55,552	4,11,444
Dividend paid	-	-	1,49,34,540	1,24,45,450	3,17,262	2,63,885	1,52,51,802	1,27,09,335
Mr R.Chellappan	-	-	1,42,41,162	1,18,67,635	-	-	1,42,41,162	1,18,67,635
Others	-	-	6,93,378	5,77,815	3,17,262	2,63,885	10,10,640	8,41,700

Schedule 20 : Notes to Consolidated Financial Statements (contd.)
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Associates / Joint Ventures / Enterprises owned or significantly influenced by key management personnel or their relatives		Key Management Personnel		Relatives of key management personnel		Total	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
Balance outstanding as at the period end:								
Amounts payable to related parties	25,28,393	13,47,414	-	-	-	-	25,28,393	13,47,414
Creditors								
Numeric Electronics Private Limited	22,86,975	11,63,406	-	-	-	-	22,86,975	11,63,406
Numeric Infrastructure Services Private Limited	1,84,008	1,84,008	-	-	-	-	1,84,008	1,84,008
Numeric Technologies Private Limited	57,410	-	-	-	-	-	57,410	-

1. Names of related parties

Associate	Npsl-Sunpac Power Protection Private Limited
Joint Venture	Numeric Infrastructure Services Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	Numeric Electronics Private Limited Numeric Technologies Private Limited
Key Management Personnel	Mr R.Chellappan - Managing Director Mr A.Balan - Director Mr K.V.Nachiappan - Director
Relatives of key management personnel	Mrs Gunasundari Chellappan Mrs B.Vasantha Mr V.C.Raghunath Miss V.C.Mirunalini Miss Aarthi Balan



The ultimate in clean power

Schedule 20 : Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

8. Information in respect of Joint Venture in terms of Accounting Standard 27 - 'Financial Reporting of Interests in Joint Ventures'

Name of the Joint Venture	:	Numeric Infrastructure Services Private Limited ('NISPL')
Nature of business	:	Providing infrastructure services
Proportion of Ownership Interest	:	50 %
Date of incorporation	:	April 2, 2004
Country of Incorporation	:	India

Summary of assets and liabilities:

(Details given below represent proportionate amount of the Company's share in joint venture)

	As at March 31, 2011	As at March 31, 2010
Fixed Assets		
Gross block	1,36,500	1,36,500
Less : Accumulated depreciation	58,322	58,322
Net block	78,178	78,178
	78,178	78,178
Current Assets, Loans and Advances:		
Sundry Debtors	4,41,661	4,41,661
Inventories	-	-
Cash and bank balances	7,80,533	8,26,232
Loans and advances	4,46,359	4,48,581
Less: Current Liabilities and Provisions		
Current liabilities	8,67,398	8,64,641
Provisions	31,735	31,735
Net Current Assets	7,69,420	8,20,098

Summary of income and expenditure:

(Details given below represent proportionate amount of the Company's share in joint venture)

	Year ended March 31, 2011	Year ended March 31, 2010
Expenditure		
Personnel expenses	45,248	33,209
Manufacturing and other expenses	2,758	2,758
Financial expenses	2,672	2,325
	50,678	38,292

Schedule 20 : Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

9 Segment reporting

A. Primary segment information (By Business segments)

The Company's operations predominantly relates to the manufacture of UPS, steel castings and trading in UPS systems. Accordingly, revenues based on class of products comprise the primary basis of segmental information set out in the financial statements.

Business (Primary) segments of the Group are:

- a) Manufacture and trading of UPS systems
- b) Steel Castings.

Particulars	2010-11	2009-10
1. Segment Revenue		
- Uninterruptible power supply systems	533,06,75,357	479,91,77,624
--Steel Castings	3,28,00,049	-
--Inter Segment Revenue (Uninterruptible power supply systems)	(1,34,01,296)	-
Gross sales and service income	535,00,74,110	479,91,77,624
2. Segment Results		
Segment Profits before finance charges and tax		
--Uninterruptible power supply systems	55,70,73,021	53,93,02,505
--Steel Castings	15,65,787	-
Finance Charges	(4,16,14,314)	(3,52,56,390)
Total Profits before tax	51,70,24,494	50,40,46,115
Income taxes	(10,75,10,197)	(12,47,11,409)
Total Profits after tax	40,95,14,297	37,93,34,706
3. Segment Assets		
--- Uninterruptible power supply systems	366,97,14,529	311,43,95,910
--- Steel Castings	23,85,17,786	-
Total Assets	390,82,32,315	311,43,95,910
4. Segment Liabilities		
--Uninterruptible power supply systems	121,27,77,521	95,23,08,290
-- Steel Castings	13,67,12,045	-
Total Liabilities	134,94,89,566	95,23,08,290
5. Addition in Tangible & Intangible Fixed Assets		
--- Uninterruptible power supply systems	15,22,02,235	20,13,06,189
--- Steel Castings*	10,88,19,808	-
Total Addition in Tangible & Intangible Fixed Assets	26,10,22,043	20,13,06,189
*including Tangible & Intangible Fixed Assets on acquisition of Amex Alloys Private Limited		
6. Depreciation / Amortisation		
--Uninterruptible power supply systems	5,05,37,720	4,82,81,827
--Steel Castings	7,31,573	-
Total Depreciation / Amortisation	5,12,69,293	4,82,81,827

Schedule 20 : Notes to Consolidated Financial Statements (contd.)

(All amounts are in Indian Rupees unless otherwise stated)

B. Secondary segment information (By Geographical segments)

The following table shows the geographical distribution of the Company's segment revenues and additions to tangible and intangible assets for the year ended March 31, 2011 and year ended March 31, 2010

Particulars	Geographical segment			
	March 31, 2011		March 31, 2010	
	Outside India	India	Outside India	India
Revenues	30,55,75,178	504,44,98,932	34,22,24,749	445,69,52,875
Additions to Tangible and Intangible assets	8,51,72,053	17,58,49,990	87,26,835	19,25,79,654
Segment assets	29,24,33,445	361,57,98,870	22,05,42,800	289,38,53,110

10 Derivative instruments and Foreign currency exposures

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations on payable balance. The following are the outstanding Forward Exchange Contracts entered into by the Company as at March 31, 2011.

Particulars	March 31, 2011	March 31, 2010
	USD	USD
Number of contracts	8	24
USD	7,38,010	38,50,247
INR Equivalent	3,31,82,675	17,82,36,125

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	Foreign Currency	March 31, 2011		March 31, 2010	
		Amount in Foreign Currency	Amount in Indian Rupees	Amount in Foreign Currency	Amount in Indian Rupees
Receivables	USD	3,70,968	1,65,26,643	1,73,933	78,11,331
Advances	USD	88,198	39,29,251	-	-
Payables	USD	1,06,83,764	47,68,16,426	44,75,958	19,91,29,623
	JPY	-	-	32,400	16,670
Bank balances	USD	1,02,145	45,50,565	58,936	26,46,816
	EURO	2	118	-	-
Loans	USD	77,31,794	34,50,69,950	47,88,813	21,50,65,602

11. Previous year figures have been reclassified/regrouped wherever necessary to confirm to current years' presentation.

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES**

Firm registration number: 101049W

Chartered Accountants

per **SURESH SUBRAMANIAN**

Partner

Membership No.: 083673

Place: Chennai

Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN

Director

R.CHELLAPPAN

Managing Director

B.SRINIVASAN

Company Secretary

Place: Chennai

Date: May 30, 2011

Consolidated cash flow statement for the year ended March 31, 2011
(All amounts are in Indian Rupees unless otherwise stated)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
A. Cash flow from operating activities		
Profit before tax	51,70,24,494	50,40,46,115
Adjustments for:		
Share of loss in associate company	5,580	5,198
Depreciation / amortisation	5,12,69,293	4,82,81,827
(Profit)/Loss on sale of fixed assets	(1,15,874)	(32,492)
Loss on discontinuance of operations in subsidiary	5,50,547	-
Unrealised foreign exchange (gain) /loss, net	(3,99,195)	(1,22,16,587)
Interest expense	1,14,90,651	77,63,773
Interest income	(21,97,185)	(12,21,259)
Dividend income	(1,50,000)	(3,00,000)
Remission and write off of debts	49,02,947	88,50,022
Operating profit before working capital changes	58,23,81,258	55,51,76,597
Movements in working capital :		
Decrease / (Increase) in sundry debtors	(15,30,65,480)	(15,68,99,171)
Decrease / (Increase) in loans and advances	(74,94,582)	(13,80,425)
Decrease / (Increase) in inventories	(21,53,35,505)	(9,54,38,592)
Increase / (Decrease) in current liabilities	3,99,80,085	16,04,88,872
Increase / (Decrease) in provisions	50,63,019	45,51,848
Cash generated from operations	25,15,28,795	46,64,99,129
Taxes (paid) / received, net	(9,22,14,449)	(18,96,26,362)
Net cash from operating activities	15,93,14,346	27,68,72,767
B. Cash flow from investing activities		
Capital expenditure (refer note 1 below)	(15,03,10,801)	(20,13,06,189)
Discontinuance of operations in subsidiary (Refer Note 3B of schedule 20)	(5,50,547)	-
Investment in mutual funds	(2,00,00,000)	-
Acquisition of subsidiary (Refer Note 3A of schedule 20)	(4,21,71,400)	-
Proceeds from sale of fixed assets	1,15,874	1,26,265
Deposits made during the year	(2,71,16,242)	1,52,74,270
Dividend received	1,50,000	3,00,000
Interest received	17,99,639	8,95,575
Net cash used in investing activities	(23,80,83,477)	(18,47,10,079)
C. Cash flow from financing activities		
(Repayment) (net) of short term borrowings	17,13,62,472	(3,82,33,790)
Interest paid	(1,14,90,652)	(77,63,773)
Dividends paid	(3,04,10,190)	(2,52,60,655)
Dividend tax paid	(50,35,361)	(42,93,719)
Net cash from / (used) in financing activities	12,44,26,269	(7,55,51,937)
Exchange differences on translation of foreign currency cash and cash equivalents and movement in foreign currency translation reserve	61,11,532	(2,44,94,545)
Net increase / (decrease) in cash and cash equivalents during the year	5,17,68,670	(78,83,794)
Add: Cash acquired on acquisition of Amex Alloys Private Limited	7,39,320	-
Cash and cash equivalents at the beginning of the year	13,97,15,773	14,75,99,567
Closing cash and cash equivalents (Refer Note 3 & 4 below)	19,22,23,763	13,97,15,773

Notes:

- Increase in capital expenditure include payments for items in capital work in progress and purchase of fixed assets. Adjustments for increase / decrease in current liabilities relating to acquisition of fixed assets have been made to the extent identified.
- The accompanying notes are an integral part of this statement.
- Fixed deposits with banks with maturity period of more than three months including interest accrued thereon amounting to ₹7,51,17,495 (previous year ₹4,80,01,253) are not included under Cash and Cash equivalents.
- Unpaid dividend aggregating to ₹8,37,015 (previous year ₹9,29,685) are not included under Cash and Cash equivalents.

As per our report of even date

For **S.R. BATLIBOI & ASSOCIATES**
Firm registration number: 101049W
Chartered Accountants

per **SUBRAMANIAN SURESH**
Partner
Membership No.: 083673
Place: Chennai
Date: May 30, 2011

For and on behalf of the Board of Directors

A.BALAN Director
R.CHELLAPPAN Managing Director

B.SRINIVASAN
Company Secretary
Place: Chennai
Date: May 30, 2011

NUMERIC POWER SYSTEMS LIMITED

"NUMERIC HOUSE", No. 5, Sir P. S. Sivasamy Salai, Mylapore, Chennai - 600 004.

Tel: +91 44 2499 3266 Fax: +91 44 2499 5179. email: company.secy@numericups.com

Toll Free No: 1800 425 3266

NUMERIC POWER SYSTEMS LIMITED

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

NOTICE OF THE SIXTEENTH ANNUAL GENERAL MEETING

The sixteenth Annual General Meeting of NUMERIC POWER SYSTEMS LIMITED will be held on Saturday the 6th August 2011 at 3.00 P.M. at Savera Hotel, No.146, Dr.Radhakrishnan Road, Chennai – 600 004 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Sixteenth Annual Report of the Directors, the audited Balance Sheet as at 31st March 2011, Profit and Loss Account for the year ended 31st March 2011 and the Auditors' Report thereon.
2. To declare Dividend.
3. To appoint a Director in place of Mr. V.M.Sivasubramaniam who retires at this meeting and is eligible for reappointment.
4. To appoint a Director in place of Mr. R.Venkataraman who retires at this meeting and is eligible for reappointment.
5. To appoint Auditors:

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

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

SPECIAL BUSINESS

6. To consider and if deemed fit, to pass with or without modification, the following resolution as an Ordinary Resolution.
 - a) RESOLVED that in supersession of the resolution passed by the members of the company at the 13th Annual General Meeting held on 14.08.2008 and pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent to the Board of Directors to borrow any sum or sums of money from time to time from any one or more persons, firms, bodies corporate, banks or financial institutions, whether by way of advance or deposit, loans or bills discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components in stock or in transit) and work in progress and all or any of the undertakings of the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) subject to the maximum of aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose but, so however, that the total amount upto which monies may be borrowed by the Board of Directors and outstanding at any one time shall not exceed the sum of ₹200 Crores (Rupees Two hundred Crores Only) exclusive of interest and other charges.

The Directors are hereby further authorised to execute such Mortgages, Charges, Hypothecation, Lien, Promissory Notes, Deposits, Receipts and other deeds and instruments in writing, as they may think fit, containing such conditions and covenants as the Directors may think fit.

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

NOTES:

1. Mr. V.M.Sivasubramaniam and Mr. R.Venkataraghavan, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends the respective re-appointments of the aforesaid Directors.

Mr. V.M.Sivasubramaniam and Mr.R.Venkataraghavan are interested in the resolution relating to the respective appointments and hold 200 and 20 equity shares of the Company in their name respectively.

2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member. A blank form of proxy is enclosed, which, if used, should be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
3. The Register of Members and the Transfer Books will remain closed from 4th August 2011 to 6th August 2011, both days inclusive.
4. The dividend for the year ended 31.03.2011, as recommended by the Board, if approved by the shareholders at the Meeting shall be payable on or before 3rd of September 2011 to those members whose names appear on the Company's Register of Members on 4th August 2011.
5. Pursuant to Section 205C of the Companies Act, 1956, the unclaimed dividend for the financial year 2002-03 has been transferred by the Company to the Investor Education and Protection Fund established by the Central Government.
6. The related explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, setting out all material facts concerning item no.6 is annexed.

By Order of the Board

Chennai
May 30, 2011

B.SRINIVASAN
Company Secretary

ANNEXURE TO NOTICE

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

- a) The Company at its 13th Annual General Meeting held on 14th August 2008 had authorised the Board of Directors to borrow upto ₹143.50 Crores (Rupees One Hundred forty three Crores and Fifty Lakhs only). In view of the increase in imports and working capital requirements arising out of the increase in volume of business, and expansion programs or new projects of the Company additional borrowings may be resorted to which may exceed the existing limit. As per the provisions of Section 293(1)(d) of the Companies Act, 1956 borrowings in excess of paid-up capital and free reserves can be made subject to the consent of the shareholders in General Meeting. The Board is of the view that the limit of the borrowings should be increased to ₹200 Crores (Rupees Two hundred Crores Only), which will still be below the maximum permissible limit for the Board as per the Provisions of the Section 293 of the Companies Act, 1956.
- b) Consequent to increase in borrowing powers, consent in pursuance of Section 293(1)(a) for furnishing securities by way of mortgage, charge etc., is being sought from the shareholders. Accordingly necessary resolution is placed before the members for consideration and approval under Item No.6 of this notice.

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

By Order of the Board

Chennai
May 30, 2011

B.SRINIVASAN
Company Secretary

NUMERIC POWER SYSTEMS LIMITED

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



ATTENDANCE SLIP

(To be handed over at the entrance of the meeting place)

Registered Folio:

DP I.D. :

Client I.D.:

No. of shares:

I hereby record my presence at the 16th Annual General Meeting of the Company at Savera Hotel, No. 146, Dr. Radhakrishnan Road, Chennai – 600 004 on Saturday the 6th August 2011 at 3:00 p.m.

Name of the attending member (in block letters)

Name of the proxy.....

Member's/Proxy's Signature

(To be signed at the time of handing over this slip)



NUMERIC POWER SYSTEMS LIMITED

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

PROXY FORM

Registered Folio:

DP I.D. :

Client I.D.:

I/We.....

of.....

a member/members of NUMERIC POWER SYSTEMS LIMITED hereby appoint.....

.....of.....or

failing him..... of

.....or failing

him..... of

as my/our proxy to attend and vote for me/our behalf at the 16th Annual General Meeting of the Company to be held on Saturday the 6th August 2011 at 3:00 p.m. at Savera Hotel, No.146, Dr. Radhakrishnan Road, Chennai – 600 004 and at any adjournment thereof.

Signature

Signed this..... day of..... 2011.

Affix Re.1/-
Revenue
Stamp

Note : The proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

