

13th ANNUAL REPORT 1997-98

42

MD	✓		BKC	✓
CS	✓		DPY	NA
RO	✓		EW	NA
TRA	✓		AC	✓
AGM	✓	✓	SM	✓
YE	✓	✓		

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BOARD OF DIRECTORS

SRI R. CHANDRASEKHAR RAO
SRI R. SAI PRASAD
SRI M.S.J. VERMA

Chairman & Managing Director
Commercial Director
Director

REGISTERED OFFICE / FACTORY :

D.No. 12-50/4,
Adjacent to Industrial Estate,
Medchal Village & Mandal,
Ranga Reddy Dist - 501 401.

CORPORATE OFFICE

D.No. 6-3-347/4,
Dwarakapuri Colony,
Punjagutta,
Hyderabad - 500 082.

AUDITORS

S. SRINIVASAN & CO.,
Chartered Accountants,
Ekbote Block, Kachiguda,
Hyderabad- 500 027.

COMPANY SECRETARY

SRI G. SATYA PRASAD

BANKERS

STATE BANK OF INDIA
Commercial Branch, Koti
Hyderabad- 500 095.

SHARE TRANSFER AGENTS

M/s. AARTHI CONSULTANTS PRIVATE LIMITED
D.No. 1-2-285, Domalguda, Hyderabad - 500 029.

NOTICE

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 13th Annual General Meeting of the Company will be held on Wednesday, the 31st March 1999 at 3 P.M. at the Registered Office Premises of the Company at H. No. 12-50/4, Adjacent to Industrial Estate, Medchal Village & Mandal, Ranga Reddy Dist. - 501 401 to transact the following business.

ORDINARY BUSINESS :

1. To receive, Consider and adopt the audited Balance Sheet and Profit & Loss Account for the period ended 30th September '98 together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri M.S.J. Verma who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from conclusion of this meeting until conclusion of next Annual General Meeting and authorise Board of Directors to fix their remuneration. M/s. Srinivasan & Co., Chartered Accountants, Hyderabad retire and are eligible for reappointment.

By Order of the Board
for **BULL POWER SYSTEMS LIMITED**

Place : Hyderabad

Date : 28.02.99

G. SATYA PRASAD

Company Secretary

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote at the meeting instead of himself/herself and such proxy need not be a member of the Company.
2. The Instrument appointing proxy must be lodged at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
3. Members/Proxies should bring their attendance slip sent herewith duly filled in for attending the meeting.
4. Members are requested to notify the change of address, if any, to M/s. Aarthi Consultants Pvt. Ltd., D.No. 1-2-285, Domalguda, Hyderabad - 500 029, the Company's Registrars and Share Transfer Agents.
5. Register of Members and Share Transfer books will remain closed from 26.03.99 to 31.03.99 (both days inclusive)

DIRECTORS REPORT

Director's Report

Your Directors hereby present 13th Annual Report together with audited accounts for the year ended on 30th September '98.

Financial Results :

PARTICULARS	YEAR ENDED 30.09.98	YEAR ENDED 30.09.97 (18 Months)
Income from Operations	807.19	2468.29
Profit / Loss before Financial Charges Tax and Depreciation	(-) 734.07	355.72
Less : Financial charges	587.34	637.15
Depreciation	<u>110.56</u>	<u>124.74</u>
	697.90	761.89
Profit / Loss for the year	(-) 1431.97	(-) 406.17
Less : Misc. Expenditure Written off	43.84	45.50
Adj. pertaining to Previous years	<u>0.31</u>	<u>0.26</u>
	44.15	45.76
	(-) 1476.12	(-) 451.94
Less : Provision for Income Tax	0.00	0.00
Net Profit / Loss	(-) 1476.12	(-) 451.93
Add : Profit/Loss brought forward	(-) 208.96	242.97
Balance carried to Balance sheet	(-) 1685.08	(-) 208.96

DIRECTORS REPORT

Review of Operations :

The product re-orientation strategy started in the previous year continued in the year under review. In the SMP'S segment, your company has consolidated its position in the custom-built segment and improved profit margins in all the product lines. In addition, the customer-base has expanded with one more prestigious multinational M/s.WIPRO - GE. Your company's ISO 9001 quality certification has been of great value in attracting such customers. In the UPS segment our efforts to increase marketing thrust to locate prestigious large volume clients in the Banking and other sectors have borne fruit. With Government removing road blocks in the way of Cellular/Basic service operators, this segment of market expanded. Your company benefited from this by supplying nearly Rs. 2.52 Crore worth of products. Switch Mode Power Rectifier using 25A modules for Department of Telecommunications designed by your company has received approvals. Your Company's efforts in reducing cost of operations to manageable levels during the year under review has been successful and is reflecting in the balance sheet.

Despite the turbulent phase, your company is marching ahead with the right strategy, the fruits of which will be reflected during the coming years. It is unfortunate that your company's net worth is eroded and had to be referred to BIFR under review of Sick Industrial Companies (Special Provisions) Act, 1985 which is a statutory requirement. The company is working on rehabilitation package in consultation with financial institutions and others who are positive in their out look.

Outlook

With growth in Information Technology sales of Personal Computers has crossed of over one million pieces last year and positive government policies have attracted the attention of multi-nationals to set-up manufacturing bases in the country. This is a positive development for your company as the demand for power supplies locally manufactured would grow. In addition, the Group of Telecom(GOT) report expected by end of March'99 is likely to address the problems faced by the Cellular and Basic service operators enabling this segment to grow faster than the previous year. Department Of Telecommunication by deciding to switch over to 'Switch Mode Power Supply based Switch Mode Rectifier' to all the new as well as existing exchanges under its expansion plans is another major enabler for increased business for your company. Evidence of this is the fact that your company has got a large order from the Department Of Telecommunications for Mumbai and Hyderabad circles.

The product plans your company has drawn up for the coming year would ensure that we are able to address the additional product requirements of our existing customers in the SMPS, UPS, DOT and Private Telecom markets. The drive towards reduction in costs of input materials as well as overheads would continue in the year to come. With continuous monitoring of the margins, product-wise and increased sales volume in the new product areas, we are hopeful that the company would overcome the current difficult working capital situation.

DIRECTORS REPORT**Fixed Deposits :**

Your Company has not accepted any deposit within the meaning of section 58A of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

Directors :

Sri M.S.J. Verma, Director, retiring by rotation at the forth coming Annual General Meeting and being eligible offers himself for re-appointment.

A.P. State Financial Corporation has withdrawn Sri K. Kamalanathan as its nominee director on the board of your company. Your directors wish to place on record the appreciation of services rendered by him.

Auditors:

M/s. S.Srinivasan & Co. the statutory Auditors will retire at the ensuing Annual General Meeting and are eligible for re-appointment.

The comments by the Auditors in their report on write-offs are self explanatory. Regarding the Auditors observations on internal controls and internal audit system your directors have initiated adequate and proper steps for further strengthening of the procedures and systems. Further, the statutory dues towards ESI and PF have been paid partly and adequate steps are being initiated for regularisation of the dues.

Particulars regarding Energy :

The statement giving particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgoings as required under Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosures of Particulars in the report of Board of Directors) Rules 1988 is annexed hereto and forms part of this report (Annexure I)

Particulars of Employees :

Particulars of employees as required Under Section 217(2A) of the Companies Act, 1956 is annexed to and forms part of this report (Annexure-II).

Acknowledgement :

Your Directors take this opportunity to place on record their acknowledgements to various Departments of Central and State Governments, Financial Institutions and Bankers for their valuable guidance and look forward to their continued support. Your directors also place on record their appreciation to the employees of the Company at all levels for their commitment and dedication.

Place : Hyderabad

Date : 28.02.99

For and on behalf of the Board

R.CHANDRASEKHAR RAO
CHAIRMAN & MANAGING DIRECTOR

ANNEXURES

ANNEXURE - I :

THE INFORMATION REQUIRED UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (DISCLOSURE OR PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988.

A) CONSERVATION OF ENERGY

The company's manufacturing operations are not power intensive. Nevertheless, the Company has introduced various measures to conserve and minimise the use of energy. Measures introduced include among others, minimisation of airconditioning load for manufacturing operations, and preventive maintenance programme for all electrical and mechanical equipment.

B) TECHNOLOGY ABSORPTION:

a) Research & Development

- Design and Development of 25 A Module Switch Mode Rectifier for Department of Tele Communications.
- Design and Development of three new version SMPS for Printer Application.
- Design and Development of new version SMPS of Electronic Overhead Projectors.
- Design and Development of new version of SMPS for EPABX.
- Design and Development of SMPS for new series of Electronic Exchanges.
- Engineering development of Resonant Converters used in UPS.
- Design and Development of special purpose power supply for Medical Equipments.
- Design and Development of special purpose power supply for Industrial Application.
- Development of Charger for fixed wireless terminals for use in Customer Premises.
- Indigenisation of parts for Power System used in Cellular Exchanges.
- Design and Engineering of Test facility for Rectifiers and Systems for use in cellular exchange..

b) Technology Absorption, Adaption and Innovation

1) Efforts made in brief :

The Technology for design and manufacture of SMPS and UPS from the Foreign Collaborators was absorbed and fully adapted. With the R&D efforts, the design of the products is further improved.

ANNEXURES

2) Benefits derived as a result of the above efforts :

The efforts resulted in upgradation and Import substitution of product lines which find wide and diversified applications in consumer, professional grade electronics and telecommunications.

3) Technology Imported and Absorbed :

a) Technology Imported: To design and manufacture of Switch Mode Power Supply, UPS and Switch Mode Rectifiers.

b) Year of Import:

1. SMPS - 1988

2. UPS and SMR's - 1996

c) Has Technology been fully absorbed : Yes

C) FOREIGN EXCHANGE EARNINGS/OUTGO:

1. Activities relating to exports: Initiative taken to increase exports; development of new export markets for products and services and export plans.

2. Total Foreign Exchange used and earned:

i) Earnings - Nil

ii) Outgo :

a) Raw materials - Rs.178.57 Lacs.

b) Travelling expenditure - Nil

c) Technical know how fees on new products - Nil

ANNEXURES

ANNEXURE - II :

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended upto date.

S.No.	Name	Designation & Nature of duties	Remuneration	Qualification	Age (years)	Experience (years)	Date of Employment	Last Employment held
1.	R. Chandra Shekar Rao	Managing Director	3,16,384/-	B.E. Electronics	42	19	Since inception	5 years Experience as Marketing Executive in M/s. Narne Tulaman Ltd.
2.	R. Sai Prasad	Commercial Director	3,08,436/-	Law Graduate	40	9	05.07.90	5 years Experience as Practicing Law

1. Remuneration includes Salary, Provident Fund and other allowances.

for and on behalf of the Board

Place : Hyderabad
Date : 28.2.1999

(R. CHANDRASEKHAR RAO)
CHAIRMAN & MANAGING DIRECTOR.