

14th
ANNUAL REPORT
1998-2000

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BULL POWER

BOARD OF DIRECTORS

SRI R CHANDRA SEKHAR RAO
SRI R SAI PRASAD
SRI K SUBBA RAO
Dr J.P. SINGH

Chairman and Managing Director
Commercial Director
Director
Special Director BIFR

REGISTERED OFFICE / FACTORY:

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

AUDITORS

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

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 14th Annual General Meeting of the Company will be held on Saturday, the 30th September 2000 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 31st March, 2000 together with the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri K. Subba Rao who was appointed as a additional director in a casual vacancy and holds office upto the date of the ensuing Annual General Meeting of the company and is eligible for reappointment and in respect of whom the company has received a notice in writing from a member under provisions of 257 of the Companies Act 1956, proposing his candidature for office of a Director 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 who retire are eligible for reappointment.

SPECIAL BUSINESS:

1. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such approvals, consents permissions, and sanctions as may be necessary from the BIFR, SEBI, RBI, FIPB, Government of India, lenders to the company and appropriate authorities, bodies or agencies and subject to such conditions as may be prescribed by them while granting such approvals, consents, permissions and sanctions and subject to such conditions and alternations which the Board of Directors of the company (here in after referred to as the "Board") if it thinks fit to accept in the interest of the company, the Board be and is hereby authorised to offer, issue and allot Equity Shares or Share Warrants /Preference Shares/ Fully Convertible Debentures (FCDS) /Non Convertible Debentures (NCDS) /Partly Convertible Debentures (PCDS) or any other financial instruments for an aggregate nominal value not exceeding Rs.30 Crores (Rupees Thirty Crores Only), to be issued at a rate to be calculated as per the guidelines issued by BIFR/SEBI in this regard or such other rate as may be decided by the board on rights basis to the Members, Public, NRI, Promoters in one or more offer(s) on preferential basis including preferential allotment or private placement to Promoters, their Friends and Associates, Public, NRI, Indian/Foreign Investors whether individuals, Institutions/Banks/Overseas Corporate Bodies (OCB'S) Foreign Institutional Investors (FIIs) and/or incorporated bodies (including companies) and/or any other body corporate and/or trusts and/or mutual funds and/or local bodies and/or any combination thereof and whether or not such investors are members of the company, on such terms and conditions and in such tranches as may be decided by the Board in its absolute discretion."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the Board be and is hereby authorised to determine as to the terms and conditions of the said offer(s), the types and classes of investors to whom to be offered, when to offer, the number and value of the offer(s) in each tranche and utilisation of the issue proceeds."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the board be and is hereby authorised to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in its absolute discretion deem fit, necessary or desirable, and pay any fees and commission and incur expenses in relation thereto."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of Directors or Managing Director or Wholtime Director or Director(s) or any other Officer(s) of the company to give effect to the aforesaid Resolution"

By Order of the Board
for BULL POWER SYSTEMS LIMITED

Place: Hyderabad
Date : 25.08.2000

R. CHANDRA SEKHARA RAO
Chairman and Managing Director

NOTES:

1. Explanatory statement pursuant to section 173 (2) of the Companies Act 1956, in respect of the Special Business is annexed hereto.
2. 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.
3. The instrument appointing proxy must be lodged at the Registered Office of the Company not less than 48 hours before commencement of the meeting.
4. Members/Proxies should bring their attendance slip sent herewith duly filled in for attending the meeting.
5. 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.
6. Register of Members and Share Transfer books will remain closed from 25.09.2000 to 30.09.2000 (both days inclusive).

EXPLANATORY STATEMENT AS REQUIRED U/S.173(2) OF THE COMPANIES ACT, 1956.

The company has been working on submission of an acceptable proposal to ICICI, (the operating agency appointed by BIFR) and the Financial Institutions and Banks for revival of the company. BIFR has also invited offers for rehabilitation of the company from resourceful parties. Few investors have evinced interest for investing funds for the revival of the company in association with the management of the company by means of debt-restructuring including a proposal for liquidating the dues of the FIs and Banks on one time settlement basis and the company has made concrete progress in this regard. These proposals are subject to the approval and sanction of BIFR, FIs and Banks. The revival plan calls for infusion of substantial funds for payment of dues to FIs, Banks, NBFCs etc and for carrying out increased level of operations to achieve viability in the long run. These funds have to be brought in by the interested investors in the form of capital / unsecured loans as envisaged in the approved revival plan. The detailed terms and conditions including the issue price, terms of issue, premium etc will be determined by the Board of Directors in accordance with the guidelines given by BIFR, prevailing guidelines issued by the SEBI, Government of India, FIPB and other statutory and regulatory authorities.

The resolution is an enabling one which your board recommends for adoption. None of the directors are, in any way interested or concerned in the resolution except to the extent of their shareholding in the company.

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

Place: Hyderabad
Date : 25.08.2000

R. CHANDRA SEKHARA RAO
Chairman and Managing Director

DIRECTORS REPORT

Director's Report

Your Directors hereby present 14th Annual Report together with audited accounts for the year ended on 31st March, 2000.

Financial Results:

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2000 (18 Months)	Year ended 30.09.98 (12 Months)
Income from Operations	1379.99	807.19
Profit / Loss before Financial Charges Tax and Depreciation	96.39	(734.07)
Less:		
Financial Charges	1080.15	587.34
Depreciation	<u>166.75</u> 1246.90	<u>110.56</u> 697.90
Loss for the year	(1150.51)	(1431.97)
Less:		
Misc., Expenditure Written off	62.98	43.84
Adj., Pertaining to Previous Years	<u>18.79</u> 81.77	<u>0.31</u> 44.15
	(1232.28)	(1476.12)
Less: Provisions for Income Tax	0.00	0.00
Net Loss	(1232.28)	(1476.12)
Add: Loss Brought Forward	(1685.08)	(208.96)
Balance carried to Balance Sheet	(2917.36)	(1685.08)

DIRECTORS REPORT

REVIEW OF OPERATIONS:

Your company continued to remain market leader in manufacture of custom-built SMPS segment. Despite severe cash crunch conditions, your company has been able to supply of SMPS Systems on continuous scale thanks to the excellent support being given by reputed corporates like WIPRO, TTL, Tata Lucent Technologies Ltd, GE Ltd etc. The prices of end products of SMPS have been on the declining trend due to reduction in raw material prices most of which are imported components. Your company has successfully developed technology for 100 Amps SMRs used in Telecom Exchanges in addition to 25 amps model developed earlier. Your company has further re-designed the 100 Amps SMR Model and obtained DOT approvals during the period under review. Your company has successfully implemented cost control and cost reduction measures in operations which resulted in efficiency in the overall performance of the company and improved competitive strength. The rehabilitation exercise under the auspices of BIFR has been in progress and your company has been working on various avenues for revitalising the operations by infusion of adequate funds.

OUTLOOK

The revolution in Telecommunications and Information Technology Sectors being witnessed worldwide opens up wide spectrum of new applications to the power electronics industry. Your company has eyed 200 Amps SMRs in certain applications, Inverter Technology to power the AC coaches in Railways and SMPS based Power Plants applications in unmanned Railway Stations, Active control design in SMRs using Micro Controllers etc as future products having excellent growth potential and R & D work on these lines is in progress as part of its continuous efforts to sustain and stay ahead in the competition. Apart from this, the Internet Revolution has paved way in a great scale for the growth of UPS applications in SOHO segment which your company is poised to encash with its already developed technology. As the members are aware the company has plans to enter (Information Technology) Software and made concrete progress in formulating specific plans to undertake works in Cad/CAO and Gis areas where the company's exiting competence can be leveraged.

FIXED DEPOSITS:

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

DIRECTORS:

The Directors record their appreciation of the valuable services rendered by the Sri M.S.J. Verma as a Director of the company. Sri K. Subba Rao who was appointed in casual vacancy will hold office upto the date ensuing Annual General Meeting and eligible for reappointment.

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 the valuation of stocks and the debtors and the Auditors observation on internal Audit System your Directors have initiated adequate and proper steps for further strengthening of the procedures and Systems. Further, the Statutory dues, ESI, PF have been paid partly and adequate steps are being initiated for regularisation of the dues.

DIRECTORS REPORT

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.

For and on behalf of the Board

Place: Hyderabad
Date : 25.08.2000

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 100 A Module Switch Mode Rectifier for Department of Telecommunications.
- Design and Development of 25 A Module Switch Mode Rectifier for Department of Telecommunications.
- Design and Development of three new version SMPS for Printer Application.
- Design and Development of new version of SMPS of Electronic Covered Protectors.
- 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.

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

ANNEXURES

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.106.86 Lacs
b) Travelling expenditure	-	Nil
c) Technical know how fees on new products	-	Nil

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 And Nature of Duties	Remuner- ation	Qualifi- cation	Age (Years)	Expe- rience (Years)	Date of Employ- ment	Last Employ- ment Held
1	R. Chandra sekhar Rao	Chariman and Managing Director	4,68,000.00	B.E., (Electronics)	44	21	Since inception	5 years experience as Marke- ting Excutive in M/s. Narne Tulaman Ltd
2	R. Sai Prasad	Commerical Director	4,36,200.00	Law Graduate	41	11	05.07.90	5 years Experience as Practic- ing of Law

1. Remuneration includes Salary, Provident Fund and Other Allowances.

For and on behalf of the board

Place: Hyderabad
Date : 25.08.2000

(R. CHANDRASEKHAR RAO)
CHAIRMAN & MANAGING DIRECTOR