



NUMERIC POWER SYSTEMS LIMITED

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CHAIRMAN	:	Mr. R. VEERAMANI
DIRECTORS	:	Mr. R. CHELLAPPAN, <i>Managing Director</i> Mr. C. PARAMASIVAM, <i>Director</i> Mr. K.P. SIVANANDAM, <i>Director</i> Mr. DONALD GENE FAIR, <i>Director</i> Mr. JOHN J. DHYANCHAND, <i>Director</i> Mr. A. BALAN, <i>Director</i> Mr. G. RAMASUBRAMANIAN, <i>Director</i> Mr. M.K. BALASUBRAMANIAM, <i>Director</i> Mr. K.V. NACHIAPPAN, <i>Director</i>
COMPANY SECRETARY	:	Mr. S. KRISHNAMURTHY
AUDITORS	:	M/s GOPAL AND MURTHI <i>Chartered Accountants</i> 157, Luz Church Road Mylapore, Chennai - 600 004 M/s S.K. RAM ASSOCIATES <i>Chartered Accountants</i> 57-A, Sullivan Garden Road Mylapore, Chennai - 600 004
BANKERS	:	STATE BANK OF MYSORE Santhome Branch 164, Kutchery Road Mylapore, Chennai - 600 004
REGISTERED OFFICE	:	63, Radhakrishnan Salai Chennai - 600 004
FACTORY	:	33/1 Sedarpet Industrial Estate Pondicherry - 605 101 Plot No.B-69, Door No.47 PIPDIC Industrial Estate Sedarpet, Pondicherry - 605 101 122/1, Old Mahabalipuram Road Semmancherry, Chennai - 600 119

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NUMERIC POWER SYSTEMS LIMITED

ASSOCIATION WITH MERLIN GERIN :

The Company is progressing well with the business partner from France and the relationship is growing towards a closer tie-up in Joint Venture with financial participation. The Chairman of MERLIN GERIN expressed his satisfaction on the company's performance in India. As you all know MERLIN GERIN is the No.1 UPS company in the world and operating from 100 countries across the globe for medium and high capacity State-of-the-art UPS systems.

PRODUCT DEVELOPMENT :

The company is concentrating on the R & D activities to develop UPS systems with new specifications. Development is also on to produce a UPS with nil radiated and conducted emissions with advanced controls using DSPs. With these developments in place NUMERIC will be one of the best models of UPS systems in India.

INDIGENISATION OF SLEEK RANGE UPS :

The Company started assembling the sleek range UPS systems with the SKD assemblies imported from Singapore. Due to the heavy excise duty on such assembled UPS and the Customs Duty on batteries as one of the input, manufacture of this item was not cost-effective. As such, the Company is currently engaged in volume sales of fully imported UPS units and suitable scheme is being worked out for the earlier proposed SKD assemblies, subject to Government levies like Customs and Excise Duties.

EXPANSION IN COUNTRYWIDE SERVICE INFRASTRUCTURE :

The Company has added another 3 service locations at different parts of our country to total the number of service locations to 54 from the earlier number of 51. The 54 service locations come under 10 Regional Offices at all major cities / business locations, which are managed by a good team of professionals.

FINANCIAL RESULTS :

During this year, the Company has achieved a growth rate of 25 % over the previous year, and the profit after tax is Rs. 447.61 lakhs.

NUMERIC POWER SYSTEMS LIMITED**DIRECTORS' REPORT****OPERATIONS FOR THE YEAR ENDING 30.09.1999 :**

The Members of the Board have great pleasure in presenting the Fifth Annual Report for the financial year 01.10.1998 to 30.09.1999 and the subsequent developments.

THE YEAR 1998-99 :

NUMERIC has once again retained the No.1 position as India's No.1* ON-LINE UPS manufacturer and No.1 Power Electronics Company of the year recording 25% growth in turnover. This was achieved for the sixth time straight in a row (* Source: SOFTDISK - Journal of Association of Computer Professionals).

The company after obtaining ISO 9001 Quality Standard from BVQI, has not rested on achieved laurels, but has taken a step forward towards achieving further quality standards in its products; NUMERIC is going in for CE certification for its products and will soon become the only Indian UPS company to do so.

The Information technology industry has been the growth engine of the Indian industry and Numeric has performed very successfully in the IT segment in India winning over 70% of the major accounts in this segment. The customers of NUMERIC in Indian Information technology industry have given a tremendous boost to the image of the Company.

Major business achieved in the IT segment are: 10 X 300 KVA from WIPRO, Major projects of Infosys including their H.O. (2x200 KVA) 1360 KVA from ICICI Mumbai, 2x300 KVA from CITIBANK, SGS Thomson, SAP Labs, Birla Software, Motorola India, Reliance Industries, Polaris, Punj Lloyd, Lucent Technologies, ONGC, Metamor Global, St. Gobai Glass Factory, Philips Software, Times Of India, Bombay Stock Exchange etc. India's pride, the first infotech centre at Hitech city Hyderabad, has been supplied by NUMERIC-MERLIN GERIN UPS systems, and all major customers in the Hi tech city complex like Wipro, GE Capital, Oracle etc, have chosen Numeric for their complete power conditioning needs.

NUMERIC kept maintaining the orders from other sectors like hospitals and has been the first choice for their power conditioning needs; Usha Mullapudi Cardiac Center, Care hospital, Sir Gangaram Hospital, etc are some examples. Internet revolution has also resulted in new customers with India's first and leading ISPs who have chosen NUMERIC for their network.

NUMERIC received a major order for UPS systems from Syndicate Bank and the same were supplied in record time with most of the systems being installed and commissioned on time. This was under the World Bank funding which is one of the prestigious orders NUMERIC executed in 1998-99.

NEW MARKET :

NUMERIC is now the first choice of any emerging Software company or internet services in India. NUMERIC's year-old channel sales division has performed excellently with over 4000 systems being sold in the first year capturing a sizeable share in the SOHO & SME sector. The target for the coming year is to double this quantity to more than 8000 nos, thus becoming the leading player in the Indian SOHO & SME market.

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Abridged financial results are as under :-

Particulars	for the year ended 30.09.99 Amount (Rs.Lakhs)	for the year ended 30.09.98 Amount (Rs.Lakhs)
SALES	6345.97	5086.02
PBDIT	712.92	520.01
DEPRECIATION	31.03	24.54
PBIT	681.59	495.46
INTEREST	148.28	104.54
PBT	533.61	390.92
TAX	86.00	-
PAT	447.61	390.92
EQUITY CAPITAL	500.00	500.00
RESERVES AND SURPLUS	2416.43	2024.32
EPS	8.95	7.82



An analysis of the performance during 1998-99 and the projections for the said year is presented below.

Projections Vs Performance (Year ended 30.09.99):

	Actuals (Rs. lakhs)	Projections (Rs. lakhs)
Sales and Other Receipts	6345.97	7000.00
Profit After Tax	447.61	513.93

The projection of Rs.70 crores turnover has been exceeded by the Company since the Direct Sales of Principals amount to Rs.8.34 crores (not booked in Company's turnover), which has been due to sales efforts of the Company.

However, the profits have fallen short of the projection, due to upward revision in the Foreign Exchange market in respect of US Dollars and reduction in sale price due to aggressive MNC / local competition in the country.

DIVIDEND :

The Directors are happy to recommend, subject to necessary approvals, a dividend at the rate of 10 % on the equity shares of the Company, free of tax in the hands of the shareholder, for the year ended 30.09.1999.

DIRECTORS :

Mr. C. Paramasivam, Mr. K. P. Sivanandam, Mr. Donald Gene Fair and Mr. John J. Dhyanchand, Directors, retire by rotation at the ensuing Annual General Meeting under Section 255 of the Companies Act, 1956, and are eligible for reappointment.

PARTICULARS OF EMPLOYEES AS PER SECTION 217 (2A) :

Particulars of Employees as per Section 217 (2A) of the Companies Act, 1956 and the Rules framed thereunder are given below:

Sl. No.	Name/Qualification Designation	Age (Yrs)	Date of Commencement	Experience	Total Remuneration (Rs.)	Last Employment
1.	R. CHELLAPPAN B.E., I.E.E.E. Managing Director	46	1.5.1995	27 yrs.	9.3 lakhs	Business