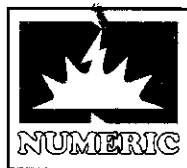


Sixth Annual Report 1999-2000



NUMERIC POWER SYSTEMS LIMITED

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NUMERIC POWER SYSTEMS LIMITED

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**DIRECTORS' REPORT****OPERATIONS FOR THE YEAR ENDING 30th SEPTEMBER 2000**

The Members of the Board of NUMERIC POWER SYSTEMS LTD have great pleasure in presenting our 6th Annual Report for the financial year 1st OCTOBER 1999 to 30th SEPTEMBER 2000 and the current developments.

THE YEAR 1999-2000

NUMERIC has performed well during the FY 1999 - 2000 with an overall growth of 43% in turnover and 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 for the seventh time in succession (* Source: SOFTDISK - Journal of Association of Computer Professionals).

The excellent growth in the Information Technology industry has added further strength to NUMERIC. India is witnessing a tremendous market in the IT linked Telecommunication areas like Data Centers / Server Parks, Internet Service Providers etc., besides additions of new Software Technology Parks. NUMERIC has done well in the new segments winning over 75% of the major accounts from the organised IT majors like Infosys, Wipro, Satyam Infoway, Global Telesystems etc.

NUMERIC has won all the projects of INFOSYS and it need to be mentioned that the TOP THREE PROFIT MAKING COMPANIES IN THE WORLD (EDS, INFOSYS, WIPRO) are NUMERIC's very satisfied and continuing customers.

NUMERIC secured Data Center orders from Global Telesystems, Netmagic (jointly promoted by the EXODUS promoter), Satyam Infoway, iNAUTIX etc., apart from the IT / Software majors like Infosys, Wipro, Cisco, Polaris Software, MindTree, ILFS, IDLX Technology, Phillips Software, Spectramind, GE Capital, DSQ Software, IBM, Motorola India, Reliance Industries, Lucent Technologies, ONGC, PSI Net, Times of India, Asian Paints, Mumbai Stock Exchange, and from banks like GTB, ICICI, HDFC Bank, IDBI Bank, Bank of Madras from industrial customers like St.Gobian, Orchid Chemicals, Joyco Industries etc.

Software Parks like IT Park in Bangalore, Cyber Towers in Hyderabad, and Tidel Park in Chennai have become Numeric's bastion with all the IT majors' number one choice.

NUMERIC has also secured orders from other sectors like hospitals, pharmaceuticals, process industry etc. The Internet revolution has also resulted in new customers, with India's first and leading ISPs having chosen Numeric for their entire network across India. NUMERIC received major orders for UPS systems from the Banking sectors and from Insurance for their national requirements.

NUMERIC, as you all know, is an ISO 9001 company and taking further step towards achieving its quality objective and has been awarded the 'S' mark for safety by STQC. The next step is to obtain CE certification for its products.

NUMERIC POWER SYSTEMS LIMITED

NEW MARKET

NUMERIC is now the first choice of any emerging IT / Software Companies or Internet services (ISPs) in India. NUMERIC's focus is further strengthened in the channel sales division which has performed well with sales of over 8000 Line Interactive UPS systems capturing a sizeable share in the SOHO & SME sector. The target for the coming year is to double this quantity to more than 20000 systems to become one of the leading players in the Indian SOHO & SME market.

ASSOCIATION WITH MERLIN GERIN

The Company has made an impressive progress with the business partner MGE UPS SYSTEMS S.A, France. NUMERIC strengthened the good relationship further by investing in the equity of MGE UPS SYSTEMS S.A, France, with RBI / Govt. of India approval. Discussions on NUMERIC – MGE Joint venture with financial participation are in good progress. As you all know MERLIN GERIN is the No.1 UPS company in the world and operating from 100 countries across the globe for the medium and high capacity State-of-the-art UPS systems.

PRODUCT DEVELOPMENT

The Company has been very much focussing in the R & D activities to develop UPS systems with new specifications. Development is on to introduce Digital Active Power Factor correction features and fully Network Compatible Intelligence in the new systems. In the small and mid range market, this series will set a new trend.

INDIGENISATION OF SLEEK RANGE UPS

The Company started assembling the Line Interactive 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 inputs, manufacture of this item was not cost effective. As such, the Company is currently engaged in volume sales of fully imported UPS units and a suitable scheme is being worked out for the earlier proposed SKD assemblies, subject to Government levies like Customs and Excise Duties.

CONSOLIDATION OF 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.

NUMERIC NEW CORPORATE OFFICE

NUMERIC has its operations at different locations in the city so far. In order to exercise effective control in all the major functions the Company is contemplating to buy a property at Chennai to house all major activities under one roof. By the time you all received this report the property would have been registered.

**FINANCIAL RESULTS :**

During this year, the Company has achieved a growth rate of 43% over the previous year, and the profit after tax is Rs. 682.03 Lakhs.

Abridged financial results are as under :-

Particulars	for the year ended 30.09.2000 Amount (Rs.Lakhs)	for the year ended 30.09.1999 Amount (Rs.Lakhs)
SALES AND OTHER RECEIPTS	9082.77	6345.97
PBDIT	1131.82	712.92
DEPRECIATION	33.89	31.03
PBIT	1097.93	681.59
INTEREST	154.90	148.28
PBT	943.03	533.61
TAX	261.00	86.00
PAT	682.03	447.61
EQUITY CAPITAL	500.00	500.00
RESERVES AND SURPLUS	2976.47	2416.43
EPS	13.64	8.95

An analysis of the performance during the year 1.10.1999 to 30.09.2000 and the projections for the said year is presented below.

Projections Vs Performance (Year ended 30.09.2000):

	Actuals (Rs. lakhs)	Projections (Rs. lakhs)
Sales and Other Receipts	9082.77	9000.00
Profit After Tax	682.03	521.49

The Company has achieved the projected turnover and in addition has made direct sales of principals amounting to Rs.13.23 crores (not booked in Company's turnover), due to sales efforts of the Company.

REGISTRAR AND TRANSFER AGENTS: M/s. Cameo Corporate Services Ltd, Chennai - 600 002.

DEMATERIALIZATION OF SHARES: The position regarding Dematerialisation of shares, as at 28.10.2000, as reported by the Transfer Agent, M/s. Cameo Corporate Services Limited, Chennai, is as under:-

Total number of Dematerialisation requests	: 4
Total number of shares	: 5,04,600
Total number of certificates	: 5,046

The above dematerialised Equity shares are credited to National Securities Depository Limited, Mumbai.