



11TH
ANNUAL REPORT
1998-99

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ACCURATE TRANSFORMERS LTD.

AN ISO 9001 COMPANY

**ACCURATE TRANSFORMERS LTD.**

BOARD OF DIRECTORS : SHRI C.L. SHARMA — *Chairman & Managing Director*
 SHRI M.K. BASAK — *Wholetime Director*
 SHRI K.L. CHAUHAN — *Director*
 SHRI DEEPAK SHARMA — *Director*

COMPANY SECRETARY : SHRI G.C. JAIN

REGISTERED OFFICE : 8, LOCAL SHOPPING CENTRE
 & VARDHMAN SIDHANT PLAZA
HEAD OFFICE 3RD FLOOR, SAVITA VIHAR
 DELHI - 110092

WORKS : 1) MEERUT ROAD (OPP. RAJNAGAR CHOWKI)
 GHAZIABAD (U.P.)
 2) D-17, UPSIDC INDUSTRIAL AREA
 GREATER NOIDA (U.P.)
 3) A-94, UPSIDC INDUSTRIAL AREA
 SIKANDRABAD, U.P.

AUDITORS : S. LAL & COMPANY
 87-88, NAVYUG MARKET
 GHAZIABAD (U.P.)

BANKERS : 1. BANK OF MAHARASHTRA
 NAVYUG MARKET, GHAZIABAD (U.P.)
 2. BANK OF MAHARASHTRA
 PREET VIHAR, DELHI - 110092

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ACCURATE TRANSFORMERS LTD.**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the members of Accurate Transformers Limited will be held on Friday, the 29th October, 1999 at 09.00 a.m. at Bandhan Banquet, 8, Rajasthan Udyog Nagar, G T Karnal Road, Near Shalimar Bagh Railway Crossing, Delhi-110033 to transact the following business :-

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 1999, the Profit and Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri K.L. Chauhan who retires by rotation at this Annual General Meeting and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification (s), the following as an ORDINARY RESOLUTION :-
"RESOLVED THAT pursuant to Section 224 of the Companies Act, 1956 M/s. S. Lal & Company, Chartered Accountants, the retiring Auditors of the company, be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at such remuneration as may be fixed by the Board of Directors of the Company."

Special Business

4. To consider and if thought fit, to pass with or without modification (s), the following as an ORDINARY RESOLUTION :-
"RESOLVED THAT Shri Deepak Sharma, who was appointed as Additional Director of the company under Article 40 of the Articles of Association of the company and who ceases to be a Director at the forthcoming Annual General Meeting and in whose respect notice under Section 257 of the Companies Act, 1956 proposing his candidature to the office of Director has been received, be and is hereby appointed as the Director of the Company liable to retire by rotation."
5. To consider and if thought to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION :-
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended by inserting the following Article 12A after the Article 12.

Nomination of Shares — Article 12A

Every holder/Joint holder of shares or holder/joint holder of debentures of the company may at any time nominate in accordance with the provisions and in the manner provided by Section 109A of the Companies Act, 1956 and any amendment(s) thereof from time to time a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of the holder/joint holder.

Subject to the provisions of Section 109A of the Companies Act, 1956 and Article 12A any person who becomes a nominee by virtue of the provisions of the Act upon the production of such evidence as may be required by the Board or any Committee thereof, elect either to be registered himself as holder of the shares or debentures as the case may be or make such transfer of the shares or debentures as the case may be, as the deceased share holder or debenture holder as the case may be, could have made in accordance with the provisions and in the manner provided by Section 109B of the Companies Act, 1956 and any amendments thereto from time to time.

Any person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holder shall be entitled to the same dividend and other advantages to which he would be entitled, if he were the registered holder of the share or debenture except that he shall not, before being registered as the member in respect of his share or debenture, be entitled to in respect of it to exercise any right conferred by membership in relation to the meetings of the Company."

Registered Office

8, LSC, Vardhman Sidhant Plaza
3rd Floor, Savita Vihar
Delhi - 110092

Dated : 18th September, 1999

By order of the Board
for **ACCURATE TRANSFORMERS LIMITED**

G.C. JAIN
COMPANY SECRETARY



ACCURATE TRANSFORMERS LTD.

Notes :

1. A Member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a member of the company.
The proxy in order to be effective must be deposited at the Registered Office of the company not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the Special Business is annexed hereto.
3. Members are requested to intimate change in their addresses to the company quoting their Folio Number and Postal Pin Code No.
4. Members are requested to bring their copies of Annual Report at the meeting as additional copies are not to be circulated in the meeting.
5. Members attending the meeting are requested to bring their Attendance Slips duly filled in and deliver the same at the entrance of the meeting.
6. Members seeking any information on the accounts and operations of the company are requested to write to the Company Secretary at least 10 days in advance from the date of the meeting so that required informations may be made available to them at the meeting.
7. Register of Members and Share Transfer Books of the company will remain closed from 25th October, 1999 to 29th October, 1999 (both days inclusive)

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.

Item No. 4

Shri Deepak Sharma was appointed as an Additional Director on 10.09.1999 under Article 40 of the Articles of Association of the Company by the Board of Directors. According to the provisions of the said Article read with the provisions of the Section 257 of the Companies Act, 1956, Shri Deepak Sharma will hold the office upto the date of this meeting. A notice under Section 257 of the Companies Act, 1956 alongwith a fee of Rs. 500/- has been received from a member signifying his intention to propose Shri Deepak Sharma as a candidate for the office of Director.

The Board considers it to be in the interest of the company to appoint Shri Deepak Sharma as a Director of the Company and thus recommends the resolution for approval.

Shri Deepak Sharma is the son of Shri C.L. Sharma, Chairman & Managing Director of the company. Accordingly none of the Directors except Shri C.L. Sharma and Deepak Sharma, is concerned or interested in this resolution.

Item No. 5

For the benefit of share holders and debenture holders, the facility of nomination has been introduced by the Companies (Amendment) Act 1999, consequent to which it is required to incorporate a specific Article 12A for the purpose in the Articles of Association of the Company as specified in item No. 5 of this notice.

None of the Directors is concerned or interested in the proposed resolution.

Your Directors recommend the resolution for approval.

By order of the Board
for ACCURATE TRANSFORMERS LIMITED

Place : Delhi
Dated : 18th September, 1999

G.C. JAIN
COMPANY SECRETARY

ACCURATE TRANSFORMERS LTD.

DIRECTORS' REPORT

To,
The Members.
Accurate Transformers Limited.

Your Directors have pleasure in presenting their **ELEVENTH ANNUAL REPORT** on the Statement of Accounts of your company for the financial year ended 31st March' 1999.

Financial Results*(Rs. in Lakhs)*

	<i>Current Year (1998-99)</i>	<i>Previous Year (1997-98)</i>
Sales & Other Income	3724.91	2852.66
Gross Profit before interest, Depreciation & Tax	233.40	192.55
Less Interest	74.79	67.48
Depreciation	42.14	19.88
Profit before Tax	116.47	105.19
Less Provision for Tax	36.14	28.00
Profit after Tax	80.33	77.19
Add Balance brought forward	170.10	92.91
Profit available for appropriation	250.43	170.10
Apropriations		
1. General Reserve	-----	-----
2. Surplus carried to Balance Sheet	250.43	170.10
	-----	-----
	250.43	170.10
	-----	-----

Operation

During the year under consideration, your company achieved a turnover of Rs. 3714.47 lakhs as against Rs. 2814.52 lakhs for the previous year. The net Profit after tax at Rs. 80.33 lakhs was also higher as compared to the Previous year of Rs. 77.19 lakhs. Your company accordingly has registered an increase of Rs. 899.95 lakhs in turnover and Rs. 3.14 lakhs in net profit during the Financial Year 1998-99. All this has been achieved inspite of tough competition in the industry, recession in Indian Economy, increase in prices of raw-material and labour costs etc.

Natural Calamity

Members may, perhaps, be aware that a major fire has broken out in Ghaziabad factory of your company on the afternoon of 27th March, 1999. After detailed working and survey etc. it was estimated that stores, raw-material, plant & machinery, building and finished goods etc to the tune of more than Rs. 2 crores were burnt and destroyed during fire. Since your Directors as per practice had taken insurance covers against fire on all the assets of the company, insurance claim amounting to Rs. 1.85 crores (after excluding estimated salvage value of material etc) was filed with Oriental Insurance Company for compensating the loss in question. The claim is under process and efforts are being made at appropriate levels in the office of the Insurance Company for its early settlement. Your Directors are of the view that the claim in question will be settled in full by the Insurance Company in due course.



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Dividend

Since significant amount of the funds of your company is temporarily locked in with the Insurance Company, your company has been facing acute liquidity crunch from April 1999 onwards inspite of profit earned during 1998-99. Your Directors, therefore, express their inability to recommend payment of dividend to the share holders for the year 1998-99.

Diversification

You will kindly recollect that your Directors in their last year's report had informed you that the Ethyle Acetate unit established in Sikindrabad, UP had become almost un-viable from April, 1998 onwards due to decontrol molasses policy of the Govt. of Uttar Pradesh. This unit, therefore, has to be closed down temporarily during the period under report. However, in order to curtail fixed costs of the unit, your Directors have taken number of steps including modifications, additions etc. and to start manufacturing 'Transformer Oil' in the premises of the said unit. The figures of Ethyle Acetate and Transformer Oil given in report elsewhere accordingly are for part of the year.

The Transformer Oil so manufactured will be used by main unit of your company and surplus, if any, will be sold to State Electricity Boards. Efforts will also be made to start Ethyle Acetate unit as and when the prices of molasses and Ethyle Acetate stabilise and thereby the unit becomes viable.

Directors

Shri S.K. Sharma ceased to be the Director of your company w.e.f. 10.09.1999 due to resignation. Your directors wish to place on record their sincere appreciation for the valuable contribution made by him during the period he was on the Board of your company.

Shri K.L. Chauhan, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Shri Deepak Sharma was appointed as an Additional Director of your company on 10th Sept., 1999 by the Board and he will hold office upto the date of the forthcoming Annual General Meeting in accordance with the provisions of Section 260 of the Companies Act, 1956. Your company has received notice under Section 257 of the Companies Act, 1956 proposing him for the office of Director to be elected by the members in the ensuing Annual General Meeting. Necessary resolution to this effect is placed before you for your approval.

Auditors' and Their Report

M/s S. Lal & Company, Chartered Accountants, the Statutory Auditors of the company will retire at the end of the ensuring Annual General Meeting and being eligible offer themselves for re-appointment.

The report of the Auditors on the accounts of your company for the period under report is appended elsewhere with this report. The observations made by them in their report, however, are self-explanatory and do not call for any further comments under Section 217 of the Companies Act, 1956.

Fixed Deposits

Your company has not accepted any fresh deposit during 1998-99. Moreover the deposits of Rs. 1,15,000/- shown payable in the Balance Sheet as on 31.03.1999 have also been paid as and when these have become due for repayment during 1999-2000 (31.08.1999)

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo.

The requisite information in regard to conservation of energy, technology absorption, foreign exchange earnings and outgo in terms of Section 217(1) (e) of Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is set out in Annexure A annexed hereto which forms part of this report.

Particulars of Employees

Information as per Section 217 (2-A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is 'Nil' as no employee of the company was in receipt of remuneration of Rs. 6.00 lakhs or more during the year ended 31st March, 1999 or Rs. 50000/- or more per month during any part of the year.