

15th
ANNUAL REPORT
2002-2003

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ACCURATE TRANSFORMERS LTD.
AN ISO 9001 COMPANY



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ACCURATE TRANSFORMERS LTD.

BOARD OF DIRECTORS

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

COMPANY SECRETARY : VIPIN KUMAR TIWARI

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 : BANK OF MAHARASHTRA
PREET VIHAR, DELHI - 110092

REGISTRAR & : MAS SERVICES PVT. LTD.
TRANSFER AGENT AB-4, SAFDARJUNG ENCLAVE
(RTA) NEW DELHI - 110029
TEL. : 011-26104142



NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of the members of Accurate Transformers Limited will be held on Tuesday, the 30th September, 2003 at 09.00 a.m. at Lotus Garden, Alipur-Village Palla, Bakhtawarpur Road, Delhi-110036 to transact the following business:-

Ordinary Business

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2003, the Profit and Loss Account for the year ended on that date 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

1. To consider and, if thought fit, to pass with or without modification (s), the following as an ORDINARY RESOLUTION:-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the companies Act, 1956 read with Schedule XIII of the said Act, and subject to such other approvals and consents as may be necessary, Shri C.L. Sharma, be and is hereby Re-appointed as Managing Director of the Company with effect from 01.08.2003 for a period of five years i.e. up to 31.07.2008 on the revised terms and conditions.

RESOLVED FURTHER THAT Sh. C.L. Sharma, be authorized on behalf of the Board to file necessary forms/ documents and the details of existing remuneration and perquisite with the Registrar of Companies as per the provisions of the Companies Act, 1956."

The details of remuneration and perquisites being paid to the Mr. C.L. Sharma at present are reproduced below:

I Salary

Rs. 50,000/- (Rupees fifty thousand only) p.m. in the scale of Rs. 50,000-5,000-70,000.

II Perquisites

In addition to the above, he shall be entitled to the following perquisites restricted to an amount equal to his annual salary or Rs.6,00,000/- whichever is less. For this purpose, perquisites are classified into three categories. 'A', 'B', and 'C', as follows:

Category 'A'

a. Housing I

The expenditure by the company on hiring unfurnished accommodation for him will be subject to the ceiling of sixty percent of the salary over and above ten percent payable by him.

Housing II

In case the accommodation is owned by the company, ten percent of his salary shall be deducted by the company.



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Housing III

In case no accommodation is provided by the company, he shall be entitled to house rent allowance as may be decided by the Board from time to time subject to ceiling of sixty percent of his salary.

b. Gas, Electricity, Water and Furnishings

If provided by the company, shall be valued as per Income- tax Rules, 1962 and shall be restricted to 10% of his salary.

c. Medical Reimbursement

Medical expenses incurred by him for self and his family subject to a ceiling of one month's salary over a period of three years.

d. Leave Travel Concession

Leave Travel Concession for him and his family, once in a year in accordance with rules of the company.

e. Club Fees

Club Fees, subject to a maximum of two clubs excluding admission and life membership fees.

f. Personal Accident Insurance

Premium not to exceed Rs. 4,000.00 per annum.

Explanation

For the purpose of category 'A', family means his spouse, dependent children and dependent parents.

Category 'B'

Contribution to Provident Fund, Superannuation Fund will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income-Tax act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.

Category 'C'

The company shall provide car with driver and telephone at his residence. Provision of car for use on company's business and telephone at residence will not be considered as perquisites.

Minimum Remuneration

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, the company will pay salary and perquisites as specified above as minimum remuneration in accordance with provisions of section II of part II of schedule XIII to the Companies Act, 1956.

2. To consider and, if thought fit, to pass with or without modification(s), the following as an ORDINARY RESOLUTION:-

" RESOLVED THAT Supersession of resolution passed in earlier Annual General Meeting held on 30.09.1996, in relation to the exercise of borrowing powers, the Board of Directors be and is hereby accorded in terms of section 293 (1) (d) and other applicable provisions, if any, of the companies Act, 1956 to the Board of Directors of the company for borrowing funds from any company or body corporate(s) or Bank(s) or Financial Institutions, Indian or foreign from time to time any sum(s) of money which together with moneys already borrowed in the ordinary course of business (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) upto an amount not exceeding Rs.100 Crores over and above the aggregate of paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose at any time.

3. To consider and thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

'RESOLVED THAT pursuant to the provisions of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary the consent of the company be and is hereby accorded to the Board of Directors of the company to sell, lease, transfer and /or otherwise dispose of

**ACCURATE TRANSFORMERS LTD.**

the whole or substantially the whole of the company's movable or immovable assets, present and future to any Company or other Body Corporate or Bank(s) or Financial Institution(s) Indian or foreign on such terms and conditions and in such form and manner as the Board of Directors of the company may decide in the interest of the Company with full power and authority to the Board of Directors to do all such acts things as may be necessary to implement this resolution."

Registered Office

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

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

C.L. SHARMA

Chairman & Managing Director

Dated: 25th August, 2003

Notes:

1. 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. Members are requested to intimate change in their address to the company quoting their Folio Number and Postal Pin Code No.
3. Member are requested to bring their copies of Annual Report at the meeting as additional copies are not to be circulated in the meeting.
4. Member attending the meeting are requested to bring their Attendance Slips duly filed in and deliver the same at the entrance of the meeting.
5. Members seeking any information on the accounts and operations of the company are requested to write to the Company at least 10 days in advance from the date of the meeting so that required information may be made available to them at the meeting.
6. Register of Members and Share Transfer Books of the company will remain closed from 27th September, 2003 to 30th September, 2003 (both days inclusive)
7. Members are requested to Correspond directly with our Transfer Agent and Registrar (as mentioned in the Annual Report) for Transfer of Shares and Dematerialisation and any other matter concerned or related to shares. It would save time and help us in expediting the matters.

ACCURATE TRANSFORMERS LTD.**EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956.****Item No.1.**

Mr. C.L. Sharma, was re-appointment as Managing Director of the company for period of 5 years on a remuneration of Rs. 30,000/- per month with effect from 01.08.98 vide members resolution dated passed on 30.09.98 Annual General Meeting.

The company has a commendable progress in terms of sales and net profit with the wholehearted contribution, concrete affairs and dynamic leadership given by Mr. C.L. Sharma, Chairman & Managing Director of the company. Your Board feels that to maintain this tempo and to remunerate Mr. C.L. Sharma, Chairman & Managing Director suitably, he should be paid reasonable sufficient remuneration and perquisites keeping in view his extensive responsibility and all round exposure in the increasing activities of the company. The Board of Directors have therefore considered in their meeting held on 31st July 2003 to revise remuneration and perquisites with effect from 01.08.2003 for the period up to 31.07.2008. The revision in the remuneration etc., is with in the guidelines in schedule XIII of the Companies Act 1956, and other provisions, if any Companies Act 1956.

The necessary resolution is placed for the approval of the members.

Mr. C.L. Sharma is interested Director in this resolution.

Item No. 2.

Section 293(1) (d) of the Companies Act, 1956, empowers the Board of Directors to borrow money (other than temporary borrowings from Company's bankers) in excess of the paid up share capital and free reserves with the prior consent of the share holders. It therefore become necessary that the borrowing powers of the Board should be ascertained to the tune of Rs. 100 Crores, for effective functioning and funds management for the existing as well as diversification plans in the coming years. Hence, the shareholders are requested to fix the said limit as recommended in the resolution.

The necessary resolution is placed for the approval of the members.

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

Item No.3.

Section 293(1)(a) of the Companies act 1956, provides that the Board of Directors shall not without the consent of the Company in general meeting sell, lease, transfer or otherwise dispose of the whole or substantially the whole of the undertaking(s) of the Company for effectively creating charges or mortgage on the properties of the company in connection with borrowings, Debts, Deposits or otherwise for the due smooth functioning of the various present and future operations of the company. Approval of the Shareholders under Section 293(1) (a) is to be obtained.

The necessary resolution is placed for the approval of the members.

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

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

Place : Delhi
Dated: 25th August, 2003

C.L. SHARMA
Chairman & Managing Director



ACCURATE TRANSFORMERS LTD.

DIRECTORS' REPORT

To,
The Members,
Accurate Transformers Limited.

Your Directors have pleasure in presenting their **FIFTEENTH ANNUAL REPORT** on the Statement of Accounts of your company for the financial year ended 31st March' 2003.

Financial Results

(Rs. in Lakhs)

	Current Year (2002-2003)	Previous Year (2001-2002)
Sales & Other Income	4092.45	3413.10
Gross Profit before interest, Depreciation & Tax	253.54	211.13
Less Interest	91.13	65.87
Depreciation	39.81	46.56
Profit before Tax	122.60	98.70
Less Provision for Tax (Current)	45.00	35.26
(Deferred)	-0.41	28.28
(Previous Year)	24.96	0.00
Profit after Tax	53.05	35.16
Add Balance brought forward	492.72	457.56
Profit available for appropriation	545.77	492.72

Apropriations

1. General Reserve	0.00	0.00
2. Surplus carried to Balance Sheet	545.77	492.72
	545.77	492.72

Operation

During the year under consideration, your company achieved a turnover of Rs. 4071.69 lakhs as against Rs. 3401.92 lakhs for the previous year. The net Profit after tax at Rs. 53.05 lakhs which is higher as compared to the Previous year of Rs. 35.16 lakhs. Your company accordingly has registered an increase of Rs. 669.77 lakhs in turnover and Rs. 17.89 lakhs in net profit during the Financial Year 2002-2003.

Dividend

With a view to conserve the resources of the Company, the Directors regret their inability to declare dividend for the year under review. Accordingly the surplus for the year is being carried forward in the Profit & Loss Account.