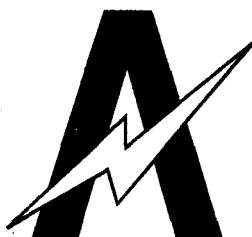


17TH

ANNUAL REPORT

2004 - 2005

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ACCURATE TRANSFORMERS LTD.
AN ISO 9001 COMPANY



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ACCURATE TRANSFORMERS LTD.

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

G.M. (F&A) & COMPANY SECRETARY : SHRI PAWAN JAJU

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

WORKS : 1) MEERUT ROAD (OPP. RAJNAGAR CHOWKI), GHAZIABAD (U.P.)
 2) D-16-17, UPSIDC INDUSTRIAL AREA, GREATER NOIDA (U.P.)
 3) A-97, UPSIDC INDUSTRIAL AREA, SIKANDRABAD, U.P.
 4) B-4/7-8, SITE III, INDUSTRIAL AREA, GHAZIABAD, U.P.
 5) 1394/2 M LANGHA ROAD, DEHRADUN (UTTRANCHAL)
 6) PLOT NO. 2, SECTOR-8A, INTEGRATED INDUSTRIAL AREA
 RANI PUR, HARIDWAR (UTTRANCHAL)
 7) F-88, INDUSTRIAL AREA, JAMALPUR KHURD
 BAHADRABAD, HARIDWAR (UTTRANCHAL)

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

BANKERS : BANK OF MAHARASHTRA
 PREET VIHAR, DELHI - 110092

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



ACCURATE TRANSFORMERS LTD.

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the members of Accurate Transformers Limited will be held on Friday, the 30th September, 2005 at 09.00 a.m. at Asha Farm House, 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 2005, 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."

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: 31st August, 2005

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. Members are requested to intimate change in their address to the company quoting their Folio Number and Postal Pin Code No.
3. Members are requested to bring their copies of Annual Report at the meeting as additional copies are not to be circulated in the meeting.
4. Members 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, 2005 to 30th September, 2005 (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.

DIRECTORS' REPORT

To,
The Members,
Accurate Transformers Limited.

Your Directors have pleasure in presenting their **SEVENTEENTH ANNUAL REPORT** on the Statement of Accounts of your company for the financial year ended 31st March' 2005.

Financial Results

(Rs. in Lakhs)

	Current Year (2004-2005)	Previous Year (2003-2004)
Sales & Other Income	10125.06	7340.18
Gross Profit before interest,		
Depreciation & Tax	465.27	327.09
Less Interest	99.04	75.17
Depreciation	49.37	39.71
Profit before Tax	316.86	212.21
Less Provision for Tax (Current)	25.00	78.00
(Deferred)	1.22	1.57
(Previous Year)	9.76	6.01
Profit after Tax	280.88	126.63
Add Balance brought forward	672.40	545.77
Profit available for appropriation	953.28	672.40

Apropriations

1. General Reserve	0.00	0.00
2. Surplus carried to Balance Sheet	953.28	672.40
	953.28	672.40

Operation

During the year under consideration, your company achieved a turnover of Rs. 10105.81 lakhs as against Rs. 7273.87 lakhs for the previous year. The net Profit after tax at Rs. 280.88 lakhs which is higher as compared to the Previous year of Rs. 126.63 lakhs. Your company accordingly has registered an increase of Rs. 2831.94 lakhs in turnover and Rs. 154.25 lakhs in net profit during the Financial Year 2004-2005.

Dividend

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



ACCURATE TRANSFORMERS LTD.

Directors

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

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed :

- (i) That in the preparation of the accounts for the financial year ended 31st March, 2005, the applicable accounting standards have been followed alongwith proper explanation relating to material departures ;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review ;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2005 on a going concern basis.

Auditors' and Their Report

M/s S. Lal & Company, Chartered Accountants, the Statutory Auditors of the company will retire at the end of the ensuing 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 fall for any further comments under Section 217 of the Companies Act, 1956.

Fixed Deposits

Your company has not accepted any fresh deposit during 2004-2005.

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. 24.00 lakhs or more during the year ended 31st March, 2005 or Rs. 2,00,000/- or more per month during any part of the year.

ACCURATE TRANSFORMERS LTD.***Compliance of the Listing Agreements - Clause 32***

Cash flow statement is annexed elsewhere and forms part of this report.

Your company had entered into Listing Agreement with five Stock Exchanges and their names and addresses are set out in Annexure 'B' Annexed hereto which forms part of this report.

Industrial Relations

Industrial relations between employees and Management have remained very cordial during the period under report.

Acknowledgement

Your Directors wish to place on record their appreciation for dedicated efforts and contributions made by all the employees of the company during the year. Your Directors would also like to express their sincere gratitude for the valuable assistance, advice and support extended by the Government of India, State Governments, Financial Institutions and Stock Exchanges. The Directors would also like to thank the share holders, customers, suppliers and banks for the support they have given to the company and the confidence they have reposed in the Management.

Looking forward for a still brighter future.

On behalf of the Board of Directors

Place : Delhi

Dated : 31st August, 2005

C.L. SHARMA

Chairman & Managing Director



ACCURATE TRANSFORMERS LTD.

ANNEXURE-A

ANNEXURE TO THE DIRECTORS' REPORT

Year Ending
31.3.2005Year Ending
31.3.2004

FORM 'A'

A. Power and Fuel Consumption

1. Electricity

(a) Purchased

Total Amount

Rate / Unit

(b) Own Generation

Unit Per Ltr. of Diesel Oil

Cost

KWH

Rupees

Rupees

Units

Unit (KWH)

Rs. / Unit

1680276

7769293

4.62

431535

4.54

5.43

1138007

5280926

4.64

366411

4.60

5.08

B. Consumption Per Unit of Production

Transformer

Electricity (Includes Unit for DG Set)

Cost

No.

Unit / Transformer

Rs. / Transformer

18544

113.88

545.40

8773

116.58

555.01

C. Consumption per unit of Production (Chemical)

Kgs.

Unit/Kg.

Rs./Per Kg.

NIL

NIL

NIL

NIL

NIL

NIL

FORM 'B'

A. Research & Development (R & D)

1. Specific area in which R & D carried out by the company

Improvement of process productivity and quality; reduction of cost and control on rejections; development of new designs and models.

2. Benefits derived as a result of the above R & D

Overall improvement in performance of products, reduction in manufacturing costs; optimization of product design; minimize material consumption; improve performance, increase in productivity and reliability

3. Future plan of action

To continue work in design and development of new models and products; to constantly review quality & performance of existing products for appropriate modification etc.

B. Technology Absorption, Adaptation & Innovation

1. Efforts, in brief, made towards technology absorption and innovation

Developing in-house expertise to absorb technology for adaption and for design & manufacturing of Power Transformers of Higher ratings.

2. Benefits derived as a result of the above efforts e.g. import substitution, etc.

Diversification project implemented for manufacture of Power Transformers, product improvement, cost reduction & development.

3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year); following information may be furnished

a) Technology imported

b) Year of import

c) Has technology been fully absorbed ?

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.

Not Applicable

C. Foreign Exchange Earnings & Outgo

Activities relating to foreign exchange are as under :

Foreign Exchange earned *

Foreign Exchange outgo

2004-2005

111644215

28118574

2003-2004

—

—

* Supplies to Electricity Board under World Bank Tender resulted in import substitution and consequent saving of foreign exchange for the country.