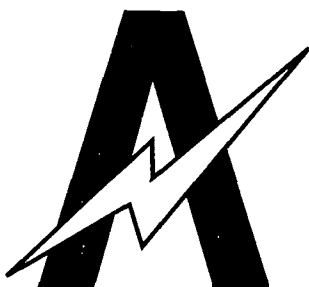


20th ANNUAL REPORT

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2007 - 2008



ACCURATE TRANSFORMERS LTD.

AN ISO 9001 COMPANY



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ACCURATE TRANSFORMERS LTD.

| | |
|---|---|
| Board of Directors | : Sh. C. L. Sharma, Chairman & Managing Director Sh. M. K. Basak, Whole Time Director Sh. Deepak Sharma, Managing Director Sh. K. L.. Chauhan, Director Sh. Bhupal Singh, Director Dr. Om Prakash Sharma, Director |
| Company Secretary | : Sh. V. K. Chhabra |
| Registered Office | : 8, L. S. C., Vardhman Sidhant Plaza, Savita Vihar, Delhi - 110 092 |
| Works | : 1. Meerut Road, Opp. Raj Nagar 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. 1394/2, M. Langha Road, Dehradun, Uttranchal 5. Plot No. 2, Sector 8A, Integrated Industrial Area, Ranipur, Haridwar, Uttranchal 6. 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 - 110 092 Indusind Bank Dr. Gopal Das Bhawan, 28, Barakhamba Road, New Delhi - 110 001 |
| Registrar & Transfer Agent (RTA) | : MAS Services Ltd. AB-4, Safdarjung Enclave, New Delhi - 110 029 Tel: 011 26104142 |



ACCURATE TRANSFORMERS LTD.

NOTICE

Notice is hereby given that the 20th Annual General Meeting of the members of Accurate Transformers Limited will be held on Tuesday, 30th September 2008 at 09.00A.M. at Carnival Farm House, G.T. Karnal Road, Alipur, 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 2008, 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, has offered 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 and Company, Chartered Accountants, the retiring Auditors of the Company be and are hereby re-appointed as the Statutory 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 Chairman/Managing Director of the Company in consultation with the Statutory Auditors."

SPECIAL BUSINESS

4. 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, 314, 316 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, the approval of the Company be and is hereby accorded to the re-appointment of Shri C. L. Sharma as Managing Director of the Company with effect from 01.08.2008 for a period of five years i. e. upto 31.07.2013 on the revised terms and conditions stated hereinafter be and is hereby approved."

The details of remuneration and perquisites proposed to be paid to the Mr. C. L. Sharma are as under :

I. Salary

Rs. 2,50,000 (Rupees Two Lacs Fifty Thousand only) p.m. in the scale of
Rs. 2,50,000 - 25,000 - 3,75,000



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II Commission

In addition to above, he shall be entitled to a commission@4% of net profits of the company but restricted to 10% of net profits of the Company as salary and perquisites for all working directors shall be payable to Sh. C. L. Sharma.

III 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. 30,00,000/- 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.

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.



ACCURATE TRANSFORMERS LTD.

f. Personal Accident Insurance

Premium not to exceed Rs. 20,000 per annum.

Explanation

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

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 consider 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 Schedule XIII to the Companies Act, 1956.

5. To appoint a Director in place of Mr. Deepak Sharma who was appointed by the Board of Directors as an Additional Director of the Company with effect from 03-09-2008 and who holds office upto the date of the forthcoming Annual General Meeting of the Company under Section 260 of the Companies Act 1956, but who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a Member proposing his candidature for the office of Director.
6. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an ORDINARY RESOLUTION :-

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 314, 316 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, the approval of the Company be and is hereby accorded to the appointment of Shri Deepak Sharma, as Managing Director of the Company with effect from 03-09-2008 for a period of five years i.e. up to 02-09-2013 on the terms and conditions stated hereinafter be and is hereby approved."

**ACCURATE TRANSFORMERS LTD.**

The details of remuneration and perquisites proposed to be paid to Mr. Deepak Sharma are reproduced below as under :-

I Salary

Rs. 50,000/- (Rupees fifty thousand only) p.m. in the scale of Rs. 50,000-5,000-75,000.

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/- per annum 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.

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 year.

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



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

f. Personal Accident Insurance

Premium not to exceed Rs. 20,000.00 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 there, 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 Schedule XIII to the Companies Act, 1956.

Registered Office

8, L.S.C, Vardhman Sidhant Plaza
Savita Vihar
Delhi – 110 092

By order of the Board

For Accurate Transformers Ltd.

Dated : 03-09-2008

V. K. Chhabra
Company Secretary

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 the 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. The blank proxy form is enclosed.



ACCURATE TRANSFORMERS LTD.

2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 forms part of this Notice.
3. Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 20-09-2008 to Friday, 26-09-2008 (both days inclusive).
4. 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.
5. Members are requested to correspond directly with our Registrar and Transfer Agent 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 services to shareholders.
6. Members are requested to intimate change in their address, if any, to the Company quoting their Folio Number and Postal Pin Code No.
7. Members are requested to bring their copies of Annual Report at the meeting as additional copies are not to be circulated in the meeting.
8. Members attending the meeting are requested to bring their Attendance Slips duly filled in and deliver the same at the entrance of the meeting hall.

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

Item No. 2

Brief Profile of Shri K.L. Chauhan seeking Re-appointment

| | |
|---------------------|--|
| Name | : Mr Kundan Lal Chauhan |
| Father's Name | : Sh Buta Mal Chauhan |
| Designation | : Independent Director. |
| Date of Appointment | : 31-01-1997 |
| Date of Birth | : 10-02-1935 |
| Address | : G-2 Block, Sterling Apartments, Charm Wood Village, Eros Garden, Suraj Kund Road, Faridabad, Haryana.- 122016 |
| Qualification | : B.E (Electrical Engineering) |



ACCURATE TRANSFORMERS LTD.

No. of Board Meetings held : Nine
during his tenure

No. of Board Meetings attended : Nine

Member of Board or Committees of : None
Board of other Companies

Mr Kundan Lal Chauhan joined his first service as Assistant Engineer with Punjab State Electricity Board, Patiala in 1960. With the hard work, dedication and sincerely he has attained various senior positions with the Board. He held the position as in-charge of Procurement of Centrally Purchase Engineering Equipments for several years. He also worked as Director Monitoring responsible for timely implementation of new thermal and hydro plants. He was reporting to Chairman in this assignment. He also held the position of Deputy Secretary (Personnel) as well as Executive Engineer – System Study. He was elevated to the position of Engineer-in-Chief as well as Officer on Special Duty (attached with Chairman). He retired from Punjab State Electricity Board in 1993.

Brief Profile of Mr. C. L. Sharma (Item No. 4 of Special Business)

Name : Mr C. L. Sharma
Father's Name : Sh. G. S. Sharma
Designation : Managing Director
Date of Appointment as Director : 18.04.1988
of the Company
Date of Appointment as : 18.04.1988
Managing Director
Date of Birth : 01.01.1954
Address : C-187, Surya Nagar, Ghaziabad
Qualification : M.Sc.
No. of Board Meetings held : Nine
during his tenure
No. of Board Meetings attended : Nine
Member of Board or Committees : Two
of Board of other Companies

Mr. C. L. Sharma, was re-appointed as Managing Director of the Company for a period of 5 years on a remuneration of Rs. 50,000/- per month with effect from 01-08-2003 vide members resolution dated 30-09-2003.