

**23<sup>rd</sup>**  
**ANNUAL REPORT**  
**2010 - 2011**



**ACCURATE TRANSFORMERS LTD.**  
AN ISO 9001 COMPANY



## **CONTENTS**

<b>Particulars</b>	<b>Page</b>
Board of Directors	3
Notice	4
Director's Report	7
Management Discussion & Analysis	14
Corporate Governance	21
Additional Shareholders' Information	27
Auditor's Report	33
Balance Sheet 2010-11	39
Profit & Loss Accounts	40
Schedules	41
Cash Flow Statement	54
Proxy Form & Attendance Sheet	55

**ACCURATE TRANSFORMERS LTD.**

**Board of Directors** : Sh. C. L. Sharma, Chairman & Managing Director  
Sh. Deepak Sharma, Managing Director  
Sh. K. L. Chauhan, Independent Director (Expired on 16-01-2011)  
Sh. Bhupal Singh, Independent Director  
Sh. Subhash Chander Sharma, Independent Director (Appointed w.e.f. 03-09-2010)

**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

**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  
: Bank of India  
Sector 18, Noida  
Noida  
: IDBI Bank  
Red Cross Building, Red Cross Road  
New Delhi - 110 001

**Registrar & Transfer Agent (RTA)** : MAS Services Ltd.  
T-34, IIInd Floor, Okhla Industrial Area Phase -II  
New Delhi - 110 020  
Tel : 011-26387281/82/83



## **NOTICE**

Notice is hereby given that the 23rd Annual General Meeting of the members of Accurate Transformers Limited will be held on Friday, the 30th day of September, 2011 at 09.00A.M. at Surya Garden Farm House, Palla Bakhtawerpur Road, 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 2011, 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 Bhupal Singh, 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 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 Board of Directors of the Company in consultation with the Statutory Auditors."

### **Special Business**

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

**"RESOLVED THAT** in partial modification of the Resolution passed at the 21st Annual General Meeting of the Company held on September 30, 2009 for the appointment and remuneration payable to Shri Deepak Sharma, Managing Director of the Company and in accordance with the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provision, if any, of the Companies Act, 1956 or any statutory amendment or re-enactment thereof and subject to such other approvals as may be necessary approval be and is hereby accorded to the modification in the terms of remuneration payable to Sh. Deepak Sharma, Managing Director of the Company with effect from October 01, 2011 for the remaining period of his appointment i.e. up to 02-09-2013 as set out in the Explanatory Statement".

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to alter or vary the terms of appointment of the appointee including relating to remuneration as it may, at its discretion, deem fit from time to



time so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956 or any statutory amendment or re-enactment thereof".

**"RESOLVED FURTHER THAT** pursuant to all applicable provisions of the companies Act 1956, the revised remuneration, as set out in Explanatory Statement be paid as the minimum remuneration, in case of absence or inadequacy of profits, during the residual tenure of appointment of the Managing Director."

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

Brief Profile of Shri Deepak Sharma (Item No. 1 of Special Business)

<b>Name</b>	: Shri Deepak Sharma
<b>Father's Name</b>	: Shri C. L. Sharma
<b>Designation</b>	: Managing Director
<b>Date of Appointment as Director of the Company</b>	: 03-09-2008
<b>Date of Appointment as Managing Director</b>	: 03-09-2008
<b>Date of Birth</b>	: 12-12-1980
<b>Address</b>	: C-187, Surya Nagar, Ghaziabad
<b>Qualification</b>	: M. Com., MBA.
<b>No. of Board Meetings held during his tenure ( from 03-09-2008 to 31-03-2011 )</b>	: Forty Two
<b>No. of Board Meetings attended</b>	: Forty Two
<b>Member of Board or Committees of Board of other Companies</b>	: Two

Shri Deepak Sharma is M. Com., MBA. He is Managing Director of Modern Instruments Pvt. Ltd. (MIPL) since 13-11-2000. MIPL is into business of manufacture of ACSR, AAC, Aluminium Conductors which is used for transmission and distribution of electricity. Your Company will certainly be benefitted from the energetic stage of life and rich experience of Shri Deepak Sharma as Managing Director of the Company. He joined the Company as Managing Director with effect from 03-09-2008.

The Company has made commendable progress in terms of sales and net profit with the wholehearted contribution and dynamic leadership given by Shri Deepak Sharma, Managing Director of the Company. Your Board feels that to maintain this tempo and to remunerate Shri Deepak Sharma, Managing Director suitably, he should be paid reasonably sufficient remuneration, commission 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

**ACCURATE TRANSFORMERS LTD.**

25-08-2011 to revise remuneration, commission and perquisites with effect from 01-10-2011 for the residual period of his tenure up to 02-09-2013. The revision in the remuneration etc., is within the guidelines in schedule XIII of the Companies Act 1956, and other provisions, if any Companies Act 1956.

Name and Designation	Tenure upto	Present Pay Scale & Basic Salary p.m (Rs.)	Proposed Pay Scale & Basic Salary p.m (Rs.)
Sh. Deepak Sharma Managing Director	02-09-2013	1,00,000 - 10,000 - 1,40,000	1,75,000 - 25,000 - 2,00,000

Besides the above salary the Managing Director shall also be entitled to perquisites which may include accommodation/HRA, reimbursement of expenses for gas, electricity, water and furnishings, medical reimbursement, LTC, personal accident insurance, use of car and telephone, contribution to Provident Fund, superannuation fund or annuity fund, gratuity payable at a rate not exceeding half a month's salary for each completed year of service and have leave encashment at the end of the tenure. Perquisites shall be restricted to an amount equal to the annual salary or the amount of entitlement in accordance with Schedule XIII to the Companies Act 1956 as amended from time to time whichever is less.

Besides the above salary and perquisites 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 the Managing Director.

The above remuneration, perquisites and commission shall also be paid as minimum remuneration to Shri Deepak Sharma, Managing Director in the event of absence or inadequacy of profit in any year during the remaining tenure of his appointment.

This may also be treated as compliance of Section 302 of the Companies Act, 1956.

The necessary resolutions are placed for the approval of the members. Shri C.L. Sharma is interested Director in these resolution being father of Shri Deepak Sharma.

Shri Deepak Sharma is interested in these resolutions.

By order of the Board  
For **Accurate Transformers Ltd.**

**Registered Office :**  
8, L.S.C, Vardhman Siddhant Plaza  
Savita Vihar, Delhi-110 092

**V.K. Chhabra**  
Company Secretary

Dated : 05-09-2011

**DIRECTORS' REPORT**

To,

The Members

Accurate Transformers Limited

Your Director have pleasure in presenting their **TWENTY THIRD ANNUAL REPORT** on the statement of Accounts of your Company for the financial year ended on **31st March' 2011**.

	(2010-2011)	(2009-2010)
Sales & Other Income	22,102.09	19,124.85
Profit before interest, Depreciation & Tax	2,651.84	2,255.69
Less : Financial Charges	1,730.56	1,332.50
Depreciation	93.75	111.58
Profit before Tax	827.53	811.61
Less Provision for Tax (Current)	221.50	205.00
(Deferred)	8.97	(15.07)
(Previous Year)	—	0.52
(Fringe Benefits Tax)	—	—
Profit after Tax	597.05	621.16
Add Balance brought forward	4,065.34	3,444.18
Profit available for appropriation	4,623.89	4,065.34
<b>Appropriations</b>		
1. General Reserve	—	—
2. Surplus carried to Balance Sheet	4,623.89	4,065.34
	<b>4,623.89</b>	<b>4,065.34</b>

**Operation**

During the year under consideration, your company achieved a turnover of Rs. 22,102.09 lakhs as against Rs. 19,124.85 lakhs for the previous year. The net Profit after tax at Rs. 597.05 lakhs which is slightly lower as compared to the Previous year of Rs. 621.16 lakhs. Your company accordingly has registered an increase of Rs. 2977.24 lakhs in turnover and a slight decrease of Rs. 24.11 lakhs in net profit during the Financial Year 2010-11.



## **ACCURATE TRANSFORMERS LTD.**

The major customer of Company's product are State Electricity Boards / Govt. Sectors. With the growth in industrial sector and power equipment sector and with a view to diversify its marketing strategy the company is making efforts to enlarge its customer base of private Sector enterprises.

At present, the Company is manufacturing Power Transformers upto 40 MVA capacity. There is tremendous scope of growth and better profitability in higher capacity Power Transformers. Keeping the same in mind, your company has planned for manufacture of Transformers of 160 MVA capacity in near future.

### **Dividend**

With a view to conserve the resources of the Company, the Directors regret their inability to declare dividend for the year ended on 31.03.2011. The accumulated profit is being carried forward in the Profit & Loss Account.

### **Future Growth Prospects**

India's power market is the fifth largest in the World. Total installed capacity for Power Generation in the Country as on 30-06-2011 is 1,76,990 MW. The power sector is high on Govt of India's priority as it offers tremendous potential for Power Equipment suppliers Companies based on the sheer size of the market and the returns available on invested capital.

In the past five years , there has been a much greater emphasis on Power Sector reforms including transmission and distribution reforms. The government aims to provide "power to all by 2012". To achieve that promise, it will have to add as much as 78,577 MW of generation capacity, cut transmission and distribution losses substantially, rationalize tariffs and ensure that average revenue realization is greater than the cost of production. it will have to continue to push the process of reform and restructuring and ensure greater private participation, in every segment.

The objective of Govt " Power to all by 2012 " has added impetus to growth of power equipment manufactures. Govt. has planned an ambitious target of additional target of additional power generation capacity of 78,577 MW in 11th five year plan leading to very bright future for all power equipment manufactures . As our Company is dominant supplier to almost all State Electricity boards of the country thus see a bright future ahead.

### **Directors**

Dr. Om Prakash Sharma, Director has resigned from the directorship w.e.f. 3rd September, 2010. The Board of Directors places on records the appreciation of services rendered by Dr. Om Prakash Sharma during his tenure.

Sh. Subhash Chander Sharma was appointed as an independent Director w.e.f. 3rd September 2010.





Shri K.L. Chauhan, Director expired on 16-01-2011. The Board appreciates the untiring efforts done by Shri K.L. Chauhan for the growth of the company during his long eleven years of association with the Company.

***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, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgments 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, 2011 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 call for any further comments under Section 217 of the Companies Act, 1956.

***Fixed Deposits***

Your Company has not accepted any deposit during the year under review.

***Conservation of Energy, Technology Absorption and 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.

**ACCURATE TRANSFORMERS LTD.****Particulars of Employees**

Information in accordance with the provisions of section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) rules, 1975 as amended regarding employees given below :

S. no.	Name	Designation & nature of duties	Remuneration Gross Rs.	Qualification	Date of commencement of employment	Total Experience (Years)	Age in Years	Last Employment
1	Sh. C.L. Sharma	Managing Director Overall Superintendence and control of affairs of the Company	30,00,000	M.Sc.	18.04.1988	32	57	Entrepreneur

**Compliance of the Listing Agreements**

During the year under review the Company has made compliances with the Listing Agreement with the Stock Exchanges. The Cash flow statement is annexed with the report and detail of Stock Exchanges where the shares of the company are listed is given in Annexure B.

**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.

On behalf of the Board of Directors

Place : Delhi

Dated : 5th September, 2011

**C. L. Sharma**

Chairman & Managing Director