

24th
ANNUAL REPORT
2011 - 2012



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. Deepak Sharma, Managing Director (ceased w.e.f. 05-09-2012)
Sh. Bhupal Singh, Independent Director
Sh. Subhash Chander Sharma, Independent 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

Auditors : S. Lal & Company
87-88, Navyug Market, Ghaziabad (U. P.)

Bankers : Bank of Maharashtra
Preet Vihar, Delhi - 110 092

: Bank of India
Sector 18, Noida

: IDBI Bank
Red Cross Building, Red Cross Road
New Delhi - 110 001

: Oriental Bank of Commerce
Sector - 18, Noida

**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 24th Annual General Meeting of the members of Accurate Transformers Limited will be held on Saturday, the 29th Day of September, 2012 at 09.00 A.M. at Surya Garden Farm House, Palla Bakhtawarpur Road, G.T. Karnal Road, Alipur, Delhi -110 036 to transact the following business -

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012, 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 Subhash Chand Sharma, 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 pursuant to the provisions of Section 81(1) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) for the time being in force, subject to approval of the Shareholders of the Company, and in accordance with the provisions of the Memorandum and Articles of Association of the company and regulation / guidelines, if any, and such amendments and modifications prescribed by the Government of India, the Reserve Bank of India, the Securities and Exchange Board of India and the Stock Exchanges on which the company's shares or other securities are listed or statutory, governmental and other authorities and Departments whether in India or abroad, from time to time, to the extent applicable and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions as might be prescribed while granting such approvals, consents, permissions and sanctions, and subject to such conditions



and modifications which may be agreed to, by the Board of Directors (hereinafter referred to as the "Board" which term shall, include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the power conferred by this Resolution) consent of the Shareholders of the Company is hereby accorded to offer and issue (on such terms as is permitted by applicable law), accorded to offer and issue (on such terms as is permitted by applicable law and decided by a Committee of the Board), Equity Shares not exceeding Rs. 20.00 (Twenty Only) Crores to existing Equity Shareholders of the Company for cash at such premium as may be decided by the Committee to the existing shareholders of the company whose names appear on the Register of members of the company on a record date to be determined by the Committee."

"Resolved further that new equity shares to be issued shall rank pari passu with the existing equity shares of the Company in all respects."

"Resolved further that the unsubscribed portion, if any, of the shares after considering the applications received from Rights Issue, noted above shall be disposed of in such manner, as the Board deems fit and proper at its absolute discretion and as most beneficial to the Company."

"Resolved further that the Board shall be entitled to issue in consultation with and subject to the approval, if necessary, of any concerned authority, appropriate Offer Document, as the Board may at its absolute discretion think fit including the provisions relating to renunciation, payment of subscription monies by installments, listing of the new Equity Shares with the stock Exchanges, preference allotment in the event of over subscription, issue opening and closing dates, extension of the issue closing date, to vary the size of the issue, appoint Lead Managers, Bankers and other intermediaries or other agencies concerned and such other terms & conditions as may be necessary or stipulated in such Offer Document, and the Board be and is hereby expressly authorized and empowered to accept such variation and modification as the RBI / SEBI or any other concerned authority may stipulate in that behalf and to also at its discretion to amend, modify, vary or alter all or any other terms of the issue including the basis or proportion of the offer to be made to the aforesaid categories of persons noted above accordingly including the right to increase, decrease or recalculate the number of Equity Shares to be offered and alter the terms as to issue price, including, premium and their entitlement thereto and in the Offer Document, and all such other terms and conditions of offer as are necessary or expedient in the discretion of the Board and/ or may have to be incorporated on account of any modifications or amendment required or accepted by any concerned authority."

"Resolved further that for the purpose of giving effect to aforesaid issue or allotment of equity shares the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deemed necessary or



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desirable for such purpose, including without limitation the entering into arrangements for managing, underwriting, marketing, listing, trading, acting as depository, custodian, registrar and stabilizing agent and to issue any documents and writing and to pay any fees, commission, remuneration, expenses relating thereto and with power on behalf of the company to settle all questions, difficulties or doubts that may arise in regard to such offer or issue or allotment as it may, in its absolute discretion, deem fit.”

“Resolved further that the Board be and is hereby authorized to delegate all or any of the powers herein conferred to the Committee constituted to give effect to the aforesaid 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 : 05-09-2012

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.
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 Monday, 24th September to Saturday, 29th September 2012 (both days inclusive).
4. Members seeking any information on the accounts and operation of the Company are requested to write to the Company at least 10 days in advance from 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.

Explanatory Statement as Required Under Section 173(2) of The Companies Act, 1956

During the year under review your Company has successfully developed a prototype Power Transformer of 160 MVA of 220 KV class. It was type tested at Government Test Laboratory i.e National Test House, Ghaziabad. It was delivered and successfully commissioned in November 2011 at power utility of U.P Power Transmission Corporation Ltd. at Noida (U.P).

We have surplus land for setting up 160 MVA, 220 KV Class Power Transformers.

The cost of Project for manufacture of 160 MVA, 220 KV Class Power Transformers is about Rs. 25.55 (Twenty Five Crores Fifty Five lacs Only) Crores. Further Long term working capital to the extent of about Rs. 24.00 (Twenty four Crores Only) Crores are required for this project.

To meet a part of fund requirements, your Company is finalizing necessary funds arrangement through issue of Equity Shares to existing Equity Shareholders of the company on Rights basis, to set up necessary Factory Shed, Plant and Machinery, Testing Equipments etc. and also to meet long term working capital requirements.

Higher Capacity Power Transformers has higher profit margins thereby leading the Company to better profitability after commissioning of the aforesaid project.

None of the Directors are interested in the aforesaid Resolution except the Rights Shares being offered to them in proportion to their respective shareholding in the Company.

**DIRECTORS' REPORT**

To,

The Members

Accurate Transformers Limited

Your Directors have pleasure in presenting their TWENTY FOURTH ANNUAL REPORT on the statement of Accounts of your Company for the financial year ended on 31st March' 2012.

	2011-2012	2010-2011
Sales & Other Income	24,901.85	22,102.09
Profit before interest, Depreciation & Tax	2,687.44	2,651.84
Less : Financial Charges	2,165.58	1,730.56
Depreciation	100.82	93.75
Profit before Tax	421.04	827.53
Less : Provision for Tax (Current)	(-)125.00	(-)221.50
Add : Provision for Tax (Deferred)	(+) 28.42	(-)8.97
Profit after Tax	324.46	597.06
Add : Balance brought forward	4,662.39	4,065.34
Profit available for appropriation	4,986.85	4,662.39
Appropriations		
1. General Reserve	—	—
2. Surplus carried to Balance Sheet	4,986.85	4,662.39
	<u>4,948.85</u>	<u>4,662.39</u>

Operation

During the year under consideration, your Company achieved a turnover of Rs. 25027.84 lakhs as against Rs. 22,102.09 lakhs for the previous year. The net Profit after tax at Rs 324.46 lakhs which is substantially lower as compared to the Previous year by Rs. 597.05 lakhs. Your Company accordingly has registered an increase of Rs. 2925.75 lakhs in turnover and a substantial decrease of Rs. 272.59 lakhs in net profit during the Financial Year 2011-12 .



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Lower Net profit is on account of Higher material cost as well as oil prices. Higher interest rate has also resulted in payment of higher financial charges during the year. Your company is taking proactive steps to reduce material cost and also interest burden.

During the year under review the Company has successfully developed a prototype Power Transformer of 160 MVA of 220 KV class. It was type tested at Government Test Laboratory i.e National Test House, Ghaziabad. It was delivered and successfully commissioned in November 2011 at power utility of U.P Power Transmission Corporation Ltd. at Noida (U.P).

We have surplus land for setting up 160 MVA , 220 KV Class Power Transformers. Your Company is finalizing necessary funds arrangement through issue of Equity Shares to existing Equity Shareholders of the company on Rights basis, Preferential issue to select investors, Follow on Public Issue, Borrowing from Banks and/or Financial Institutions to set up necessary Factory Shed, Plant and Machinery, Testing Equipments etc. and also to meet long term working capital requirements.

Your company is also taking proactive steps to in house development and manufacture next higher capacity Power Transformers i.e of 315 MVA 400 KV Class.

Dividend

With a view to conserve the resources of the Company, the Directors regret their inability to declare dividend for the year ended on 31.03.2012. 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 30-06-2012 is 2,05,000MW. The power sector is high on Govt. of India's priority as it offers tremendous potential for Power Equipment supplier Companies based on the sheer size of the market and the returns available on invested capital.

Directors

Shri Deepak Sharma, Managing Director of the Company resigned from the position of Managing Director with effect from 05-09-2012 due to personal reasons. The Board accepted his resignation with appreciation of services rendered by him during his tenure as Managing Director of the Company.

Right Issue

During the year under review your Company has successfully developed a prototype Power Transformer of 160 MVA of 220 KV class. It was type tested at Government Test Laboratory i.e. National Test House, Ghaziabad. It was delivered and successfully



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commissioned in November 2011 at power utility of U.P Power Transmission Corporation Ltd. at Noida (U.P).

We have surplus land for setting up 160 MVA, 220 KV Class Power Transformers.

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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, 2012, 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, 2012 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.

Salary, Perquisites and Performance commission payable to Managing/Whole Time Director as per Section 198 and 309 of the Companies Act, 1956 is restricted to 10% of the