

25th
ANNUAL REPORT
2012 - 2013



ACCURATE TRANSFORMERS Ltd.
AN ISO 9001 COMPANY



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Board of Directors	: Sh. C. L. Sharma, Chairman & Managing Director Sh. Bhupal Singh, Independent Director Sh. Subhash Chander Sharma, Independent Director
Compliance Officer	: Sh. B.D Sharma
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. Plot No. 2, Sector - 8A, Integrated Industrial Area, Ranipur, Haridwar, Uttranchal
Auditors	: S. Lal & Company, Chartered Accountants 87-88, Navyug Market, Ghaziabad (U. P.)
Bankers	: Bank of Maharashtra A-13, Swasthya Vihar, Vikas Marg, Delhi - 110 092 : Bank of India MID Corporate Branch, Sector 50, Noida (U.P.) : IDBI Bank Red Cross Building, Red Cross Road New Delhi - 110 001 : Oriental Bank of Commerce Sector - 18, Noida (U.P.)
Registrar & Transfer Agent (RTA)	: MAS Services Ltd. T-34, IInd Floor, Okhla Industrial Area Phase -II New Delhi - 110 020 Tel: 011-26387281/82/83



ACCURATE TRANSFORMERS LTD.

NOTICE

Notice is hereby given that the Twenty fifth Annual General Meeting of the members of Accurate Transformers Limited will be held on Monday, the 30th day of September, 2013 at 09.00 a.m. at Surya Garden 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 2013, 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, 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 Board of Directors of the Company in consultation with the Statutory Auditors."

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

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

C.L. Sharma
Chairman & Managing Director

Dated : 05-09-2013



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. Register of Members and Share Transfer Books of the Company will remain closed From Monday, 23rd September, 2013 to Monday 30th September, 2013 (both days inclusive).
3. 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.
4. 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.
5. Members are requested to intimate change in their address, if any, to the Company quoting their Folio Number and Postal Pin Code No.
6. Members are requested to bring their copies of Annual Report at the meeting as additional copies are not to be circulated in the meeting.
7. Members attending the meeting are requested to bring their Attendance Slips duly filled in and deliver the same at the entrance of the meeting venue .

**DIRECTORS' REPORT**

To,
The Members
Accurate Transformers Limited

Your Directors have pleasure in presenting their TWENTY FIFTH ANNUAL REPORT on the statement of Accounts of your Company for the financial year ended on 31st March, 2013.

Particulars	2012-2013	2011-2012
Sales & Others Income	19866.65	24901.85
Profit before interest, Depreciation & Tax	3052.59	2687.44
Less : Financial charges	2846.19	2165.58
Depreciation	93.99	100.82
Profit before Tax	112.41	421.04
Less : Provision for Tax (Current)	(-) 50.52	(-) 125.00
Provision for tax last year	(-) 79.17	-
Add : Provision for Tax (Deferred)	(+) 0.49	(+) 28.42
Profit after Tax	(-) 16.79	324.46
Add : Balance brought forward	4986.85	4662.39
Profit available for appropriation	4970.06	4986.85
Appropriations		
1. General Reserve	-	-
2. Surplus carried to Balance Sheet	4970.06	4986.85
	4970.06	4986.85

Operation

During the year under consideration, your Company achieved a turnover of Rs. 19866.65 lakhs as against Rs. 24901.85 lakhs for the previous year. The company has incurred a loss of Rs. 16.79 lakhs lower as compared to the net profit in the previous year of Rs. 324.46 lakhs.

The loss suffered is on account difficult economic conditions prevailing in the country coupled with of higher material cost as well as oil prices. Higher interest rate has also resulted in payment of higher financial charges during the year thereby adversely affecting the operations. Your Company is taking proactive steps to reduce the input cost and also interest burden.



ACCURATE TRANSFORMERS LTD.

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

Your company has surplus land and is exploring the possibilities of setting up facilities to manufacture 160 MVA, 220 KV Class Power Transformers. To finance the setting up of the same your Company is exploring the opportunities of raising funds through different opportunities available and is looking at the possibilities of 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. Funding plans shall be finalized by your Board keeping in view the larger interest of the company

Your Company is also taking steps for in house development and manufacture of higher capacity Power Transformers i.e of 315 MVA 400 KV Class.

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

Dividend

In view of the loss suffered by the Company, the Directors regret their inability to declare dividend for the year ended on 31.03.2013.

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 31-03-2013 is 2, 23,793.10 MW. The power sector is high on Government 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 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, 2013; the applicable accounting standards have been followed along with proper explanations 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 statements of affairs of the Company at the end of the financial year.

- 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, 2013 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 Net Profit as calculated as per provisions Sections 349 of the Companies Act, 1956. Auditors have pointed out in notes on account (Refer Note No. 7 of Schedule 26 appended with audited accounts) that Salary, Perquisites and Performance commission was paid in excess to limits specified herein above to Managing/Whole Time Director. Necessary application is being filed before the Central Government for obtaining post facto approval for excess remuneration paid to them.

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 (except for Managerial Remuneration as stated herein above) 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.

Particulars of Employees

There were no employee who were drawing remuneration in excess of the provisions of section 217 (2A) of the Companies Act, 1956 read with Companies (particulars of Employees) rules, 1975.



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, 2013

C. L. Sharma

Chairman & Managing Director



ANNEXURE-A

ANNEXURE TO THE DIRECTORS' REPORT

Year Ending 31.03.2013 Year Ending 31.03.2012

Form 'A'

A. Power and Fuel Consumption

1. Electricity

(a) Purchased	KWH	4,021,802	27,22,545
Total Amount	Rupees	22,562,310	1,43,75,035
Rate/ Unit	Rupees	5.61	5.28
Own Generation	Units	622,325	580661
Unit Per Ltr. Of Diesel Oil	Rs./Unit	8.50	6.77
Cost	Rs./Unit	8.23	6.50

B. Consumption Per Unit of Production Transformers	No.	15,544	17,019
Electricity (Includes Unit for DG Set)	Unit/Transformer	212.58	194.08
Cost	Rs./Trransformer	1385.25	1065.49

C. Consumption per unit of Production (Chemical)	Kgs.	NIL	NIL
	Unit/Kg.	NIL	NIL
	Rs./Per Kg.	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 rejection; 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; minimize material consumption; optimization of product design; improve |