

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



ACCURATE TRANSFORMERS LTD.

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 .



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 Financials 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



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

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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.

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



Net Profit as calculated as per provisions Sections 349 of the Companies Act, 1956. Auditors has pointed out in notes on account (Refer Note No.3 of Schedule 16 appended with audited accounts) that Salary, Perquisites and Performance commission was paid in excess to limits specified hereinabove 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 hereinabove) 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, 2012

C. L. Sharma
Chairman & Managing Director



ANNEXURE-A

ANNEXURE TO THE DIRECTORS' REPORT

Year Ending 31.03.2012 Year Ending 31.03.2011

FORM 'A'

A.	Power and Fuel Consumption			
1.	Electricity			
(a)	Purchased	KWH	27,22,545	25,65,356
	Total Amount	Rupees	1,43,75,035	12,66,11,200
	Rate/ Unit	Rupees	5.28	4.94
	Own Generation	Units	580,661	512,264
	Unit Per Ltr. Of Diesel Oil	Rs./Unit	6.77	6.86
	Cost	Rs./Unit	6.50	5.98
B.	Consumption Per Unit of Production Transformers	No.	17,019	18,698
	Electricity (Includes Unit for DG Set)	Unit/Transformer	194.08	137.20
	Cost	Rs./Transformer	1065.49	677.14
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 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 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 Not Applicable
- 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.

C. Foreign Exchange Earnings & Outgo

Activities relating to foreign exchange are as under:

Particulars	2011-2012	2010-2011
Foreign Exchange earned	NIL	NIL
Foreign Exchange outgo	NIL	NIL



ACCURATE TRANSFORMERS LTD.

ANNEXURE – 'B'

Names and Addresses of Stock Exchanges with which Listing Agreements have been entered into :

S. No.	Name of Stock Exchange	Address
1.	The Delhi Stock Exchange	DSE House 3/1, Asaf Ali Road, New Delhi - 110 002
2.	The Bombay Stock Exchange	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001
3.	The U.P. Stock Exchange Association Ltd.	Padam Towers 14/113, Civil Lines Kanpur - 208 001
4.	The Ahmedabad Stock Exchange	Kamdhenu Complex, Opp. Sahajanand College Panjara Pole, Ahmedabad - 380 015
5.	The Jaipur Stock Exchange Ltd.	Stock Exchange Building, Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur - 302 017



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Overview

Accurate Transformers Limited has its registered office at Delhi and manufacturing units located at the following locations:

- 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.

The Directors' Report gives in detail the performance of your Company and therefore, please refer to "Review of operations" in this regard.

Your Company has achieved 13.24% higher sales as compared to last year. This profitability in recessionary conditions has been achieved by effective management of resources, better product mix, and diversification in rural electrification projects.

A number of opportunities exist for Transformer Industry. The need of the hour is to take proactive steps both internal and external to the organisation and management of your company is planning for the same.

The demand for transmission and distribution equipments is expected to be high in the coming years. This is because the government is striving to bridge the widening gap between the demand for and supply of power in the country by adding new generating capacities.

The reform process in the power sector continues. Thirteen states have unbundled SEBs into separate entities for transmission, distribution and generation. Two states have privatized distribution. Regulatory authorities have been set up in 24 states. These authorities are applying commercial principles to tariff setting, monitoring the performance of state utilities and paying attention to areas such as demand side management and grid discipline.

Further the Government is planning 40,000 MW of power by 2020 through its nuclear programme.

We believe that the above plans of the Govt. of India for generation capacity addition and facilitation of investments in the T & D system would provide buoyant conditions for growth, especially for Transformer Sector.



OPPORTUNITIES IN POWER SECTOR

Recognizing the fact that the power sector is of vital importance for development of the economy, the Government of India has taken many policy initiatives in the recent past like :

- (a) The National Power Policy, 2005
- (b) The Electricity Act, 2003
- (c) Setting up of Central Electricity Regulatory Commission in 1998
- (d) Guidelines for private investment in transmission, 2006
- (e) Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)
- (f) Launching of Re-structured Accelerated Power Development and Reforms Programme.
- (g) Clean-up of State Electricity Board losses.

Likely upswing in the Indian Economy, high GDP growth of about 7.00%, thrust on development of infrastructure etc, have also contributed significantly for growth of electrical equipment industry.

Power Sector needs investment of Rs.10,00,000 Crores in the 12th Five Year Plan, i.e. 2012-17. To meet the huge funding requirement the Govt. of India is considering a number of initiatives to provide finance to power sector.

Additional capacity of 78,577 Mega Watt is being implemented through several initiatives of Govt. of India for setting up of several new projects in public and private sectors. Seven Ultra Mega Projects of 4000 MW each are at various stages of implementation.

Industry size, Growth rate

The Transformer Industry in India has been in the forefront for over 50 years and has a well matured technology base up to 800 KV class. There is a strong base of about 150 Transformer Companies in India. Besides meeting the domestic requirement, India is exporting transformers to over 50 countries covering USA, Europe, South Africa, Cyprus, Syria, Iraq and other Middle East and Far East countries all over the world.

Transformer industry growth due to:

- Captive power
- Replacement demand
- Huge Government spending in Power Sector
- Exports
- Industrial Demand
- Huge infrastructure Development



With every Megawatt of generating capacity being added, an additional requirement of 5 times transformer capacity is needed. This provides opportunity for players in the transformer manufacturing space to benefit to the most. This demand coupled with demand arising out of the replacement market also show a promising future for the players in the sector. The average life of a transformer is 20-30 years, which means that the transformers installed during the Vth - VIIIth plan would be replaced now.

Indian Power Scenario

The world average per capita consumption of electricity is 2700 kilowatt hours per annum. However the country has per capita consumption of 543 kilowatt hours per annum. Per capita consumption of electricity is expected to rise to over 1000 kilowatt hours per annum in next 10 years. Developed countries has per capita consumption of 10,000 Kilowatt hours per annum reflecting huge growth potential for the sector.

Current generation capacity as on 31-03-2011 is 206,526 megawatts. 289 million people - 25% of India's population - had no access to electricity as of 2009. It's expected to fall to 10% by 2030.

The growth of the economy calls for matching rate of growth in infrastructure facilities. The Indian Power Sector is a core component of the Indian infrastructure and its expansion is essential for the success of economic liberalization of India. At present, a ratio of infrastructure development of around 1.5 to G.D.P is projected. Therefore, in order to support a rate of growth of GDP of around 7 % per annum, the rate of growth of power supply needs to be over 11 % annually. This is evident from ever increasing power demand of the country's vibrant economy leading to a widening gap between the supply and demand.

Strength of your Company

- Company's major customers are various SEBs who have initiated restructuring for better efficiency hence the business prospects of the Company good. In most of the cases, payments are made out of World Bank Funds.
- Rural Electrification Projects is another profitable area where Company has gained substantial ground.
- The Company has a proven track record of successfully operating in the power sector, hence continue to be in the priority list of various State Electricity Boards.
- The exposure falls under SSI sector which is a thrust area.
- Two of our manufacturing units are located in tax exemption zone leading to notable tax savings.



Threats

- The entry of multi-nationals in the field of power and distribution transformers Sector. This may result in cut throat competition.
- Though the SEBs are under restructuring process, they are still facing with liquidity constraint resulting in delayed payments to their suppliers.
- Major customers of the company are various SEBs.
- Higher commodity and oil price both locally and international.
- Destabilisation of European and USA economics.

Disclosure of Material Transactions

Considering the size and nature of operations there were no related party transactions of a materially significant nature in terms of the Listing Agreement with Stock Exchanges that could have potential conflict with the interests of the Company at large.

Accounting Policies

The Company has adopted accounting treatments which are in conformance with those prescribed by the Accounting Policies.

Insider Trading

The Company has comprehensive guidelines in accordance with the SEBI Regulations in this regard which advise and caution the Directors, Management and Executives on the procedures to be followed, whilst dealing with the securities of the Company. The insider Trading Guidelines framed by the Company helps in ensuring compliance with these requirements.

Communication to Shareholders

Full and complete disclosure of information regarding the Company's financial situation and performance is an important part of the Company's Corporate Governance ethics. The Company has demonstrated this commitment by sending its shareholders a full version of its Annual Report, despite a Regulatory exemption.

The Company's quarterly results in the format prescribed by the Stock Exchanges are approved and taken on record by the Board within the prescribed timeframe and sent immediately to all Stock Exchanges on which Company's shares are listed. These results are published in leading newspapers in English and Hindi.

**Company Website**

www.accuratetransformers.com

Information on General Body Meetings

The details of the last three General Meetings are as under :

List of Last 3 years AGM / EGM

AGM / EGM	DATE	VENUE / SPECIAL BUSINESS
AGM	30-09-2011	9:00 a.m at Surya Garden Farm House, Palla Bakhtavarpur Road, G.T. Karnal Road, Alipur, Delhi-110036. Special Business (a) Modification in the remuneration payable to Shri Deepak Sharma, Managing Director of the Company.
AGM	30-09-2010	9:00 a.m at Surya Garden Farm House, Palla Bakhtavarpur Road, G.T. Karnal Road, Alipur, Delhi-110036. Special Business (a) Appointment of Shri Subhash Chandra Sharma as a Director liable to retire by rotation (b) Allotment of Warrants to promoters.
AGM	30-09-2009	9:00 a.m at Surya Garden Farm House, Palla Bakhtavarpur Road, G.T. Karnal Road, Alipur, Delhi-110036. Special Business (a) Revision in remuneration payable to Shri Deepak Sharma, Managing Director of the Company (b) Issue of Share Warrants to Promoters Group (c) Issue of Share Warrants to selected investors (d) Resolution under section 293(1)(a) for Term Loans from SIDBI



Details of Capital Market Non-Compliance, if any

The Company has complied with all requirements of the Listing Agreement with Stock Exchanges as well as the regulations and guidelines prescribed by SEBI. There were no penalties or strictures imposed on the Company by any statutory authorities for non-compliance on any matter related to capital markets.

Shareholders' / Investors' Grievance Committee

The Committee was re-constituted on 29th January, 2011 and now comprises of Shri Subhash Chand Sharma (Chairman) and Mr. Bhupal Singh. Mr. V.K. Chhabra, the Company Secretary has been designated by the Board as the Compliance Officer. During F.Y. 2011-12, the Shareholders' / Investors' Grievance Committee met on 8 times on 15-4-2011, 30-4-2011, 30-5-2011, 30-7-2011, 30-11-2011, 15-12-2011, 30-12-2011 and 15-2-2012, at which meetings all Members were present.

The Committee reviews the redressal of Investors' complaints related to transfers and transmission of shares, non-receipt of annual reports, dividends and other share related matters, the periodicity and effectiveness of the share transfer process, statutory certification, depository related issues and activities of the Registrar and Share Transfer Agent.

Report on Corporate Governance

This chapter, read together with the information given in the chapter titled Additional Shareholder transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.

The Company has received 14 complaints from shareholders during the financial year 2011-12 and as on now none of the Complaints are pending.

CEO Certification

The Managing Director has certified to the Board with report to the financial statements, internal controls and other matters, as required by Clause 49 of Listing Agreement with Stock Exchanges and the said Certificate is contained in this Annual Report.information, constitute the compliance report on Corporate Governance during FY 2011-12.

Auditors Certificate on Corporate Governance

The Company has obtained a certificate from the Auditors of the Company regarding Compliance with the provisions relating to Corporate Governance prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached at the end of this report.



Industrial Relations

Industrial relations remained peaceful during the year under review.

Enhancing Shareholders Value

The Company continues its relentless focus on strengthening its competitiveness in the transformer and Rural Electrification businesses. The Company would strive to deploy its resources in the most judicious and optimal manner so as to secure the interest of its shareholders in the near and long term.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, expectations, or predictions may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement; important factors that could influence the Company's operations include global and domestic supply and demand conditions affecting selling prices of finished goods, input availability prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.



CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance

Accurate Transformers Ltd. continues to remain committed to highest levels of Corporate Governance and seeks to achieve a healthy blend of performance with conformance; creating the environment and the means through which corporate objectives are attained. The Company is committed to maintaining high standards of ethical behaviour and Corporate Governance, and to serving its shareholders with honesty, fairness and integrity.

Board of Directors

Composition

As on 31 March 2012, the Company had a four member Board of Directors. The Chairman Shri C. L. Sharma is a whole time working Director designated as Chairman & Managing Director. Shri Deepak Sharma has been appointed as Managing Director w.e.f. 03-09-2008. Both belongs to promoters' family.

Recently Mr. Deepak Sharma resigned from Board of Directors of the Company w.e.f 04-09-2012 due to personal reasons.

Name	Particulars	Relationship	Other Board Representations		
			Directorship	Committee Membership	Committee Chairmanship
Sh. C. L. Sharma	Chairmen & Managing Director (Executive)	Father of Sh. Deepak Sharma	Accurate Meters Ltd. Maharashtra Meters Limited	One	None
Sh. Deepak Sharma	Managing Director (Executive)	Son of Sh. C. L. Sharma	Modern Instruments Pvt Limited Gilbert Electricals & Electronics Pvt. Limited	None	None
Sh. Bhupal Singh	Independent Director	None	None	Two	One
Sh. Subhash Chandra Sharma	Independent Director	None	None	Two	One

**Composition of the Board**

Shri Bhupal Singh was appointed as independent Directors w.e.f 31-01-2007 in terms of Clause 49 of the Listing Agreement with Stock Exchanges. As on 31.03.2012, the Board comprises two Executive Directors and two Non-Executive Directors, of whom two are independent Director. The above table gives the composition of the Board, relationship between Directors and the numbers of outside directorships held by each. .

Board Meetings

There were 20 Meetings held during the year on 13-05-2011, 08-07-2011, 29-07-2011, 24-08-2011, 25-08-2011, 27-08-2011, 05-09-2011, 10-10-2011, 03-11-2011, 09-11-2011, 14-11-2011, 15-11-2011, 16-11-2011, 09-01-2012, 28-01-2012, 29-01-2012, 10-02-2012, 05-03-2012, 21-03-2012 and 31-03-2012. The Company's last Annual General Meeting was held on 30th September, 2011. Table gives the attendance record of the Directors.

Attendance Record of the Directors Durning FY 2011-12

Date	Attented by	Not Attended by
13-05-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
08-07-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
29-07-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
24-08-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Subhash Chand Sharma, Director Sh. Bhupal Singh, Director	All were Present

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25-08-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
27-08-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
05-09-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
10-10-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
03-11-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
09-11-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
14-11-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present

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15-11-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
16-11-2011	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
09-01-2012	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
28-01-2012	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
29-01-2012	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	All were Present
15-02-2012	Sh. C.L. Sharma, Chairman and Managing Director Sh. Bhupal Singh, Director Sh. Subhash Chand Sharma, Director	Sh. Deepak Sharma, Managing Director
05-03-2012	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Subhash Chand Sharma, Director	Sh. Bhupal Singh, Director
21-03-2012	Sh. C.L. Sharma, Chairman and Managing Director Sh. Deepak Sharma, Managing Director Sh. Bhupal Singh, Director	Sh. Subhash Chand Sharma, Director



31-03-2012 Sh. C.L. Sharma, Chairman and Managing Director All were Present
Sh. Deepak Sharma, Managing Director
Sh. Bhupal Singh, Director
Sh. Subhash Chand Sharma, Director

Code of Conduct

The Company has a Code of Conduct for Directors and Senior Management that reflects its high standards of integrity and ethics. The Director and Senior Management, of the Company have affirmed their adherence to this Code of Conduct and to the absence of any potential conflict with the interests of the Company with reference to material, financial and commercial transactions. As required by Clause 49 of the Listing Agreement, the Managing Director's Declaration on adherence to the Code of Conduct has been annexed to this Report.

Committees of the Board

Audit Committee

The Audit Committee comprises Three Directors, two of them are non-executive independent Director. Shri C.L. Sharma, Chairman and Managing Director, full time Executive Director is also a member of the Committee. The committee was re-constituted on 13-05-2011 and composition is as under :

- Sh. C.L.Sharma, Chairman and Managing Director
- Sh. Bhupal Singh, Director
- Sh. Subhash Chandra, Director

The company Secretary is the Secretary to the Committee.

In terms of the present scope of this Committee, it regularly reviews the financial reporting processes, financial statements, internal control system, taxation related issues, related parties of the Company and compliance with regulatory guidelines.

During FY 2011-12, five meetings of Audit Committee were held on 13-05-2011, 29-07-2011, 05-09-2011, 15-11-2011 and 10-02-2012.

Shareholders' / Investors' Grievance Committee

The company has Shareholders' / Investor's Grievance Committee details of which are given under section 'Shareholders' in this Report. The Committee was re-constituted w.e.f. 29th January, 2011 and comprises:

- Sh. Subhash Chandra, Director
- Sh. Bhupal Singh, Director.



ADDITIONAL SHAREHOLDERS' INFORMATION

Annual General Meeting

Date : 29th September, 2012
Day : Saturday
Time : 9:00 A.M
Venue : Surya Garden Farm House, Palla Bhaktawarpur Road,
Alipur, Delhi - 110 036

Financial Calendar

First Quarter Results : Mid August
Second Quarter Results : Mid November
Third Quarter Results : Mid February
Last Quarter Results : Mid May
Annual Audited Results : Last week of August

Dates of Book Closure

The register of members and share transfer books of the Company shall remain closed from *Monday, the 24th day of September 2012 to Saturday, the 29th day of September, 2012.* (Both days inclusive)

Registrar and Transfer Agents

The share registry activities of the Company are handled by a SEBI registered Registrar and Transfer Agent - MAS SERVICES Ltd. whose contact details are:

MAS Services. Ltd.
T-34, IInd Floor, Okhla Industrial Area,
Phase - II, New Delhi - 110 020
Tel: 011 26387281/82/83
E-mail id: mas_serv@yahoo.com

To enable the Company to expeditiously facilitate exchange of shares and issue of duplicate share certificates by our Registrar and Transfer Agent, members are requested to route their request in these matters only through the Company's Investor Services Department.

The Company's Investor Services Department will be happy to assist in case Investors experience any difficulties in their interaction with MAS Services Ltd.

**Share Transfer System**

The Company's shares are compulsorily traded in dematerialised form. In the case of transfers in physical form which lodged at the Registrar and Transfer Agent's office, these are processed within a maximum period of 30 days from the date of receipt.

All Share transfers and other share related issues are approved by a Director or by a Senior Executive duly authorised by the Board.

Dematerialisation of Shares

As on 31st March 2012, 25,09,298 shares representing 84.44 % of total shares of the company were in demat form compared to 24,95,495 Shares representing 83.98 % of total shares as on 31st March 2011.

Stock Code

BSE: 530513

Listing Details

The details of the Stock Exchange on which the Company's shares are listed are:

S.No.	Name of Stock Exchange	Address
1.	The Delhi Stock Exchange	DSE House, 3/1, Asaf Ali Road, New Delhi-110002
2.	The Bombay Stock Exchange	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
3.	The U.P Stock Exchange Association Ltd.	Padam Towers, 14/113, Civil lines, Kanpur-208001
4.	The Ahmedabad Stock Exchange	Kamdhenu Complex, Opp. Sahajanand College, Panjara Pole, Ahmedabad-380015
5.	The Jaipur Stock Exchange Ltd.	Stock Exchange Building, Jawahar Lal Nehru Marg, Malviya Nagar, Jaipur - 302 017

Market Price Data

There was no trading on Delhi, Jaipur, Kanpur and Ahmedabad Stock Exchanges due to reason that these stock exchanges are not in operation.

**ACCURATE TRANSFORMERS LTD.**

Month wise high, low and average prices from April 2011 to March 2012 is given below :

Month	High (Rs.)	Low (Rs.)	Average (Rs.)
April	102	73	87.5
May	93.95	72.25	83.1
June	81.40	67	74.2
July	75	63.15	69.075
August	75	52.30	63.65
September	67	55.50	61.25
October	61.50	52.65	57.075
November	59.40	42.55	50.975
December	49.20	41.15	45.175
January	48.95	42.80	45.875
February	61.65	46.00	53.825
March	52.50	42.60	47.55

Distribution of Shareholding as on 31 March 2012

Number of Shares	Number of Shareholders	%age of Shareholders	Nominal Value in Rs.	%age of Shareholders
1-5000	3143	86.85	5431660	18.28
5001-10000	225	06.22	1725650	05.81
10001-20000	136	03.76	1944630	06.54
20001-30000	40	01.11	969780	03.26
30001-40000	20	00.55	703840	02.37
40001-50000	16	00.44	715660	02.41
50001-100000	17	00.47	1280680	04.31
100001 and above	22	00.60	16945100	57.02
Total	3619	100.00	29717000	100.00

Categories of Shareholders on 31 March 2011

Category	Number of Shares	%
Promoters	1355354	45.61
Indian Public	1616346	54.39
Total		100.00

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Total Share Holders in NSDL	1530	Total Shares in NSDL	860680
Total Share Holders in CSDL	869	Total Shares in CSDL	1648618
Total Share Holders in PHY	1220	Total Shares in PHY	462402
Total Share Holders	3619	Total Shares	2971700

Investor Services Department

In addition to the Share Registrar and Transfer Agents, our Investor Services Department, which is located at the Company's Registered Office will be happy to assist. In case investors experience any difficulties in their interaction with MAS Services Pvt. Ltd.

Contact Person : Shri V.K.Chhabra
Company Secretary

Time : 2:00 pm to 5:00 pm (Monday to Friday)

Tel : 91-120-4534700-729

Fax : 91-120-2834191

E-mail : accuratetransformers@yahoo.co.in

Plant Location

The required details are given on page number 3 of this Annual Report.

Company Website

www accuratetransformers.com

Financial Results

Financial results as published in the newspapers are made available to the members on request.

On behalf of the Board of Directors

Place : Delhi

Dated : 5th September, 2012

C. L. Sharma

Chairman



ACCURATE TRANSFORMERS LTD.

MANAGING DIRECTOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

Dated : 5th September 2012

The Board of Directors
Accurate Transformers Ltd.

CERTIFICATE

We have reviewed financial statements and the cash flow statement of Accurate Transformers Ltd. for the financial year ended 31 March, 2012 and certify that:

- (a) These statements to the best of our knowledge and belief.
 - (i) Do not contain any materially untrue statement or omit any material facts or contain statements that might be misleading.
 - (ii) Present a true and fair view of the Company's affairs and are in compliance with existing accounting standards applicable laws and regulations.
- (b) To the best of our knowledge and belief there are no transactions entered into by the Directors and Senior Management during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of the internal control systems of the Company to such reporting. We have disclosed to the Auditors and the Audit Committee deficiencies if any in the design or operation such internal controls, of which we are aware and the steps taken and / or proposed to be taken to rectify these deficiencies.
- (d) We have also indicated to the Auditors and the Audit Committee.
 - (i) Significant changes in the internal controls with respect to financial reporting during the year and the achievement of adequate internal controls within the Company's ERP systems.
 - (ii) Significant changes in accounting policies during the year and these have been disclosed in the notes to the financial statements.
- (e) To the best of our knowledge and belief there are no instances of significant fraud involving either the Management or employees having a significant role in the Company's internal control systems with respect to financial reporting.

C. L. Sharma
Chairman & Managing Director



ACCURATE TRANSFORMERS LTD.

CERTIFICATE ON CORPORATE GOVERNANCE

To,

Dated : 5th September 2012

The Members
Accurate Transformers Ltd.
8, L.S.C, Vardhman Sidhant Plaza,
Savita Vihar, Delhi - 110 092

We have examined the compliance of conditions of Corporate Governance by Accurate Transformers Ltd for the year ended 31-03-2012, as stipulated in Clause 49 of Listing Agreement entered by the Company with the Stock Exchanges.

The compliance of conditions Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial statements of the Company.

In our opinion and to the best of our information and according to the exploration given to us, we certify that the Company has compliance in all material respects with condition of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that no investors grievances are pending against the Company as at Financial Year end as per the records maintained by the Shareholder's/Investors Grievances Committee.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **S LAL & COMPANY**
87- 88, Navyug Market
Gaziabad (U.P.)



ACCURATE TRANSFORMERS LTD.

S. LAL & COMPANY
CHARTERED ACCOUNTANTS

87-88, NAVYUG MARKET
GHAZIABAD-201001
Ph. : 2790154, 4111622

AUDITOR'S REPORT

TO THE MEMBERS OF ACCURATE TRANSFORMERS LIMITED

1. We have audited the attached Balance Sheet of ACCURATE TRANSFORMERS LIMITED as at 31st March, 2012 and also the Profit & Loss Account and the Cash flow Statement for the year ended on that date annexed thereto. The financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors Report) Order, 2003 (as amended) issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to above, we report that: -
 - a. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - b. In our opinion, subject to paragraph 5.1, 5.2 and 5.3 below, and notes given in schedule 26, proper books of account as required by law have been kept by the company so far as appears from our examination of the books ;
 - c. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account ;
 - d. In our opinion, subject to paragraph 5.4 and 5.5, Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this Report comply with the Accounting standards referred to in sub-section (3C) of Section 211 of the companies Act, 1956;
 - e. On the basis of the written representation received from the directors and taken on the record by the Board of Directors, we report that none of the



ACCURATE TRANSFORMERS LTD.

director of the Company is disqualified as on 31st March, 2012 from being appointed as a director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 with reference to the matters relating to the Company;

- f. In our opinion and to the best of our information and according to the explanation given to us, the said accounts read together with accounting policies and notes thereon and attached thereto, give the information required by the Companies Act, 1956 in the manner so required and subject to our comments in paragraph 5 below, give respectively, a true and fair view in conformity with the accounting principles generally accepted in India :
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012; and
 - (ii) in the case of the Profit & Loss Account, Profit for the year ended on that date; and
 - (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

- 5.1 Income Tax Authorities has conducted search proceedings under section 132 of the Income Tax Act, 1961 on 26th July 2006 .The Assessment proceeding has been completed. The Company has gone in appeal in all cases. Now the matter is pending before I.T.A.T.
- 5.2 During the Search Proceedings, the Company has offered Rs. 175 lacs as additional income, and the same has been taken into consideration in assessment of the F.Y. 2006-07.The Company has taken the same under the head other Income (in F.Y. 2006-07) and corresponding amount has been shown as other current assets. The exact effect of the same would be taken into the Accounts when the appeal is decided by I.T.A.T.
- 5.3 The liability towards the retirement benefits i.e. gratuity and leave encashment was provided by the Company on cash basis, contrary to the AS-15, issued by ICAI, the effect of the same is not ascertainable as the amount of liability is not available.
- 5.4 That the company not follows the Accounting Standard (AS-17), "Segment Reporting" as company deals in Manufacturing of the Transformers, Trading of Iron & Steel and Electrification Project (erection).

For **S. LAL & COMPANY**
Chartered Accountants

Sohan Lal, F.C.A.
Partner
M. No. 017310

Ghaziabad
Dated : 05.09.2012



Annexure referred to in paragraph (3) of the Auditors' Report of even date on the accounts of Accurate Transformers Limited for the year ended 31st March, 2012

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative detail and situation of fixed assets.
- (b) The management has carried out a physical verification of most of its fixed assets during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the book of account.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) During the year, the inventories have been physically verified by the management except for inventory lying with third parties.
- (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of stocks followed by the management are not reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the record of inventories, we are of the opinion that, the Company is maintaining proper records of inventories.
- (iii) (a) According to the information and explanations given to us, the Company has granted loans, secured or unsecured during the year to companies, firms or other parties covered in the Register maintained under section 301 of the Act during the year which are prima facie prejudicial to the interest of the company.
- (b) According to the information and explanations given to us, the Company has taken unsecured loans during the year from the companies, firms or other parties covered in the Register maintained under section 301 of the Act during the year.
- (c) In our opinion, in case of loans, secured or unsecured granted or taken to/from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956 in the previous years, we are not making any comments because the terms of repayment and/or interest have not been specified.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company



and the nature of its business with regard to the purchase of inventories and fixed assets and with regard to sale of goods and services. Further on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been inform of any instances of major weaknesses in the aforesaid internal control procedures.

- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars or arrangement referred to in section 301 of the Act transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakh have been entered into during the financial year at prices which are reasonable having regard to prevailing market price at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not invited deposits from the public.
- (vii) In our opinion, the internal audit system of the Company is commensurate with the size and nature of its business.
- (viii) The company has informed to us to maintain the cost records, in pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956. We have not examined the records with a view to determine whether they are accurate or complete.
- (ix) According to the information and explanations given to us and records of the Company examined by us, the Company is generally regular in depositing with the appropriate authorities undisputed statutory dues i.e. employees' provident fund, ESI, income tax, TDS, service tax, VAT/sales tax, excise duty, cess, Investor education and protection fund and other material statutory dues applicable to it. (Refer to Note No. 26.5(V) of the Schedule 26).
- (x) According to the information and explanations given to us and the records of the Company, the following are the particulars of disputed dues on account of excise duty, Income Tax, and Sales tax/VAT, Cess matters that have not been deposited by the company as at March 31, 2012.

**ACCURATE TRANSFORMERS LTD.**

S. No.	Name of the Statute	Nature of the dues	Amount (Rs. in Lacs) *	Period to which the amount related	From where dispute is pending
1.	Central Excise Tax	Excise duty	0.51	2003-04	High court of Allahabad
			161.00	2002-06	Customs, Excise & Services Tax Appellate Tribunal
			36.00	2002-06	
			8.38	2008-09	
2.	Income Tax Act, 1961	Income Tax	26.25	2009-10	Commissioner of Income Tax (Appeals)
3.	Sales Tax / VAT	Sales Tax / Vat	1.92	2007-08	Joint Commissioner (Appeals)
			0.93	2009-10	
			0.42	2009-10	
			0.68	2009-10	
			0.34	2009-10	
			1.77	2009-10	
			0.04	2009-10	
			2.40	2008-09	

**Amount as per demand orders including interest and penalty wherever indicated in the demand.*

(C) Rs. 6.51 Lacs pertaining to Unclaimed Dividend and Unclaimed Share Application Money due, not deposited with the Investor Education and Protection Fund till date.

- (xi) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses during the financial year and in the immediately preceding financial year.
- (xii) According to the records of the company examined by us and the information and explanations given to us, the Company during the year has not defaulted in repayment of dues to financial institution, banks or debenture holders.
- (xiii) As the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraph 4 (xii) of the Order is not applicable.



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- (xiv) The provisions of any special statute as specified under paragraph 4 (xiii) of the Order are not applicable to the Company.
- (xv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4 (xiv) of the Order is not applicable.
- (xvi) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institution.
- (xvii) In our opinion and according to the information and explanations given to us, terms loans were applied for the purpose for which loans were obtained.
- (xviii) In our opinion and according to the information and explanations given to us, funds raised on short term basis have, prima facie, not been used during the year for long-term investments.
- (xix) According to the information and explanation given to us, the company has not allotted any shares on preferential basis to parties and companies covered in the Register maintained under section 301 of the Act.
- (xx) As the Company has not issued any debentures, paragraph 4 (xix) of the Order is not applicable.
- (xxi) As the Company has not raised any money by way of public issue, paragraph 4 (xx) of the Order is not applicable.
- (xxii) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended March 31, 2012.

For **S. LAL & COMPANY**
Chartered Accountants

Sohan Lal, F.C.A.
Partner
M. No. 017310

Ghaziabad
Dated : 05.09.2012

**ACCURATE TRANSFORMERS LTD.****ACCURATE TRANSFORMERS LIMITED
BALANCE SHEET AS AT MARCH 31, 2012**

(In Rupees)

Particulars	Note No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	29,970,500	29,970,500
(b) Reserves and Surplus	4	512,138,977	479,692,399
(c) Money received against share warrants		3,959,000	3,959,000
(2) Share application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	85,803,961	85,567,484
(b) Deferred tax liabilities (Net)	6	-	1,610,603
(c) Other Long term liabilities		-	-
(d) Long term provisions		-	-
(4) Current Liabilities			
(a) Short-term borrowings	7	1,103,923,228	681,467,746
(b) Trade payables	8	561,814,171	575,680,455
(c) Other current liabilities	9	10,889,829	8,446,979
(d) Short-term provisions	10	55,150,000	42,650,000
Total		<u>2,363,649,666</u>	<u>1,909,045,166</u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	2		
(i) Tangible assets		65,799,650	61,087,526
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	11	936,100	936,100
(c) Deferred tax assets (net)	6	1,231,718	-
(d) Long term loans and advances	12	42,453,580	42,408,827
(e) Other non-current assets	13	219,321	263,186
(2) Current assets			
(a) Current investments		-	-
(b) Inventories	14	241,624,973	237,950,449
(c) Trade receivables	15	1,518,212,222	1,092,682,008
(d) Cash and cash equivalents	16	233,735,016	285,348,778
(e) Short-term loans and advances	17	259,437,086	188,368,292
(f) Other current assets	-	-	-
Total		<u>2,363,649,666</u>	<u>1,909,045,166</u>

Significant Accounting Policies and Notes on Accounts

1 to 26

-

As per our Report attached

For S. LAL & COMPANYChartered Accountants
FRN : 000819C**Sohan Lal, F.C.A.**
(Partner)
M No. 017310Place : Ghaziabad
Dated : 05.09.2012

For and on behalf of the Board

C. L. Sharma
Chairman & Managing Director**Deepak Sharma**
Managing Director**V. K. Chhabra**
Company Secretary

**ACCURATE TRANSFORMERS LTD.****ACCURATE TRANSFORMERS LIMITED
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

PARTICULARS	Note No.	For the year ended 31.03.12	For the year ended 31.03.11
I. Revenue from operations	18	2,490,185,422	2,210,209,245
II. Other Income	19	12,600,362	11,990,100
III. Total Revenue (I +II)		<u>2,502,785,784</u>	<u>2,222,199,345</u>
IV. Expenses:			
Cost of materials consumed	20	1,503,853,613	1,463,394,947
Purchase of Stock-in-Trade	21	501,582,900	316,559,565
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	19,781,114	(6,750,508)
Employee benefit expense	23	35,590,384	36,648,053
Financial costs	24	216,558,071	173,056,105
Depreciation and amortization expense	2	10,082,257	9,375,324
Other expenses	25	173,233,188	147,162,721
Total Expenses		<u>2,460,681,527</u>	<u>2,139,446,207</u>
V. Profit before exceptional and extraordinary items and tax	(III - IV)	42,104,257	82,753,138
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		42,104,257	82,753,138
VIII. Extraordinary Items		-	-
IX. Profit before tax (VII - VIII)		<u>42,104,257</u>	<u>82,753,138</u>
X. Tax expense:			
(1) Current tax		12,500,000	22,150,000
(2) Deferred tax		(2,842,321)	897,969
(3) Short Provisions of Last Years		-	-
XI. Profit(Loss) from the period from continuing operations	(VII-VIII)	32,446,578	59,705,169
XII. Profit(Loss) from discontinuing operations		-	-
XIII. Tax expense of discounting operations		-	-
XIV. Profit(Loss) from Discontinuing operations (XII - XIII)		-	-
XV. Profit(Loss) for the period (XI + XIV)		<u>32,446,578</u>	<u>59,705,169</u>
XVI. Earning per equity share:			
(1) Basic		10.92	20.09
(2) Diluted		10.92	20.09

Significant Accounting Policies and Notes on Accounts 1 to 26 - -

As per our Report attached

For S. LAL & COMPANY

Chartered Accountants
FRN : 000819C

Sohan Lal, F.C.A.
(Partner)
M No. 017310

Place : Ghaziabad
Dated : 05.09.2012

For and on behalf of the Board

C. L. Sharma
Chairman & Managing Director

Deepak Sharma
Managing Director

V. K. Chhabra
Company Secretary



ACCURATE TRANSFORMES LIMITED
Significant Accounting Policies and Notes on Accounts
NOTES ON ACCOUNTS

1. Significant Accounting Policies

1.1. Basis of preparation of financial statements

The financial statements are prepared under historical cost convention, on a going concern basis and in accordance with the applicable accounting standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

1.2. Use of Estimates

The preparation of financial statements requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenue and expenses and disclosures relating to contingent liabilities. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates. Any revision of accounting estimates is recognised prospectively in the current and future periods.

1.3. Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition inclusive of freight, duties & taxes and incidental expenses related to acquisition up to the date of installation. Cost of Fixed assets are further adjusted by the amount of Modvat/Cenvat credit availed and VAT credit wherever applicable. Interest and finance charges incurred are allocated to the respective fixed assets of installation. Fixed assets under construction, advance paid towards acquisition of fixed assets and cost of assets not put to use before year end are shown as long term loans & Advances.

Depreciation on fixed assets is provided, on Written Down Value method, at the rate prescribed in Schedule XIV to the Companies Act, 1956. The depreciation on assets acquired/sold/discarded during the year is provided from/up to the month in which the asset is commissioned/sold/discarded except in case of fixed assets costing up to Rs. 5,000/- where, depreciation is provided for the whole year.



1.4. Valuation of Inventories

Raw materials and packing materials are valued at lower of cost or net realisable value after providing for obsolescence if any. However, these items are considered to be realisable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Work-in-process and finished goods are valued at lower of cost or net realisable value. Finished goods and work-in-process include costs of raw material, labour, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods includes excise duty.

Cost of inventories is computed on weighted average basis.

1.5 Investments

Long term investments are stated at cost, less provision for diminution (other than temporary) in value.

1.6 Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed in the financial statements.

1.7 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer, which ordinarily coincides with despatch of goods to customers. Revenues are recorded at invoice value, net of sales tax, returns and trade discounts.

Revenue from rendering of services are recognised on completion of services.

Interest income is recognised on time proportion basis.

Dividend income is recognised when the right to receive is established.



1.8 Tax

Provision for Income Tax has been made at the current tax rates based on assessable income or on the basis of Section 115 JB of the Income Tax Act, 1961 (Minimum Alternate Tax) whichever is higher.

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

1.9 Employee Benefits

Contribution to Gratuity and Superannuations funds, Leave, Salary and Pension are accounted on cash basis.

1.10 Borrowing Costs

Borrowing Costs attributable to acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, up to the date such assets are ready for their intended use. Other financing/ borrowing costs are charged to the Statement of Profit and Loss.

1.11 Impairment of Assets

At each Balance Sheet date, the company assesses whether there is any indication that any asset may be impaired. If any such indication exists, the carrying value of such assets is reduced to its estimated recoverable amount and the amount of such impairment loss is charged to the Statement of Profit and Loss. If, at the Balance Sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is assessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

1.12 Earning Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of Equity Shares and the weighted average number of equity shares which would be issued on the conversion of all the dilutive potential equity shares into equity shares.



Note No. 2 : Fixed Assets

2.	Particulars	Gross Block				Depreciation				Net Block	
		As on 01.04.11	Additions	Sales/ Adjust- ments	As on 31.03.12	Upto 01.04.11	Addition	Sales/ Adjust- ments	Upto 31.03.12	As on 31.03.12	As on 31.03.11
(i)	Tangible Assets										
1	Land	11,421,788	-	-	11,421,788	-	-	-	-	11,421,788	11,421,788
2	Building	19,782,379	155,130	-	19,937,509	9,962,926	987,989	-	10,950,915	8,986,594	9,819,453
3	Factory Sheds	11,952,544	-	-	11,952,544	6,459,103	549,344	-	7,008,447	4,944,097	5,493,441
4	Furniture & Fixtures	2,612,143	716,200	-	3,328,343	1,491,045	279,811	-	1,770,856	1,557,487	1,121,098
5	Electric & Fittings	3,295,367	193,947	-	3,489,314	2,425,618	133,280	-	2,558,898	930,416	869,749
6	Plant & Machinery	56,039,142	6,298,090	8,015,460	54,321,772	38,794,142	2,931,322	6,871,756	34,853,708	19,468,064	17,245,000
7	Air Conditioners	1,019,587	126,100	-	1,145,687	526,839	79,754	-	606,593	539,094	492,748
8	Office Equipment	2,665,565	522,142	-	3,187,707	1,365,868	213,102	-	1,578,970	1,608,737	1,299,697
9	Vehicles	36,477,422	7,761,376	-	44,238,798	23,723,715	4,634,458	-	28,358,173	15,880,625	12,753,707
10	Cycle	9,795	-	-	9,795	2,864	964	-	3,828	5,967	6,931
11	Computer	3,073,658	165,100	-	3,238,758	2,509,744	272,233	-	2,781,977	456,781	563,914
(ii)	Intangible Assets					NIL					
(iii)	Capital Work in Progress					NIL					
(iv)	Intangible Assets under Development					NIL					
	CURRENT YEAR	148,349,390	15,938,085	8,015,460	156,272,015	87,261,864	10,082,257	6,871,756	90,472,365	65,799,650	61,087,526
	PREVIOUS YEAR	145,370,522	2,978,868	-	148,349,390	77,886,541	9,375,324	-	87,261,865	61,087,525	67,483,981

**3. Share Capital****AUTHORISED CAPITAL :**

Equity shares 10,000,000 of Rs. 10/- each (P. Y. 10,000,000 Equity Shares of Rs. 10/- each)	100,000,000	100,000,000
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ISSUED AND SUBSCRIBED CAPITAL :

Equity shares 3,037,100 of Rs. 10/- each,	30,371,000	30,371,000
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PAID UP CAPITAL :

Equity shares 2,971,700 of Rs. 10/- each (P. Y. 2,971,700 Eq. Shares of Rs. 10/- each)	29,717,000	29,717,000
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Add : Forfeiture of Shares (Amount Originally Paid Up)	253,500	253,500
	<u>29,970,500</u>	<u>29,970,500</u>

a) Reconciliation Statement of Equity Share Capital

	No. of Shares	No. of Shares
Outstanding at the beginning of the year	2,971,700	2,971,700
Add : Addition during the year	-	-
Less : Buy back during the year	-	-
Outstanding at the end of the year	2,971,700	2,971,700

b) Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of Equity shares is entitled to one vote per share. The company declares and pays dividend in Indian rupees (if any). The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company :

Name of Shareholder	No. of Shares	% Held	No. of Shares	% Held
C. L. Sharma	819293	27.57%	803674	27.04%
Deepak Sharma	163361	5.50%	119500	4.02%



4 Reserves and Surplus

a) General Reserve	800,000	800,000
b) Securities Premium Account	12,653,500	12,653,500
c) Surplus/(Deficit) Opening Balance	466,238,899	406,533,730
Add : Profit during the year	32,446,578	59,705,169
Less : Capitalization of reserves	-	-
Surplus/(Deficit) Closing Balance	<u>498,685,477</u>	<u>466,238,899</u>
Total (a + b + c)	<u><u>512,138,977</u></u>	<u><u>479,692,399</u></u>

5 Long Term Borrowings

Particulars	As at 31st March, 2012	As at 31st March, 2011
a) Secured Loan		
Term Loan - From Banks	17,505,523	10,058,552
b) Unsecured Loan		
i) From Director's Relatives	-	333,196
ii) From Bank/ Financial Institutions	13,213,438	21,590,736
iii) From Others	55,085,000	53,585,000
	<u>68,298,438</u>	<u>75,508,932</u>
Total (a + b)	<u><u>85,803,961</u></u>	<u><u>85,567,484</u></u>

Notes : i) Term loan are secured by first mortgage of certain Land & Building, Plant and Machinery & Other fixed assets and hypothication of Movable Assets and Personal guarantee by some of the directors of the Company. The Vehicle loans are secured by hypothication of respective vehicles.

ii) Repayment Profile of Term Loans ia as set out below :

Loan From	Note	ROI*	No. of Installments left	Year of Maturity	Amount outstan- ding	Amount outstan- ding
HDFC Bank Ltd.	1				3,240,948	3,217,067
ICICI Bank Ltd.	2				286,376	585,236
Reliance Capital Ltd.		13.5	14	2013	1,865,514	3,378,249
SIDBI	3				7,786,000	2,878,000
Kotak Mahindra Bank Ltd.		18	14	2013	10,454,822	17,843,428
Magma Fincorp Ltd.		18	03	2012	152,869	809,281
Electronica Finance Ltd		13.18	48	2015	2,605,746	2,938,027
BMW India Financial Service (P) Ltd.		10.13	52	2016	4,326,686	-



List of Unsecured Loans

	As at 31st March, 2012	As at 31st March, 2011
B R Industries	2,50,00,000/-	-
Nav Jyoti Metals	50,85,000/-	-
Suvish Insulation	50,00,000/-	-
Shree Ganesh Steels	1,50,00,000/-	-
Shera Energy Private Limited	50,00,000/-	-
Others	-	5,35,85,000/-
Total	<u>5,50,85,000/-</u>	<u>5,35,85,000/-</u>

Notes:

1. Nine Car loans having rate of interest from 10.50% to 12.25%
2. Four Car loans having rate of interest from 12.50% to 13.31%
3. Three loans having rate of interest 13.25% against hypothcation of land at Haridwar

**Applicable Rate of Interest as on 31.03.2012*

6 Deferred Tax Liabilites / (Assets)

Opening Balance	1,610,603	712,634
Add/ Less : during the year	(2,842,321)	897,969
Closing Balance	<u>(1,231,718)</u>	<u>1,610,603</u>

7 Short Term Borrowing

a) **Secured Loan**

Working Capital Loans - From Banks	1,103,923,228	681,467,746
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Details of the Loans

Loan From	ROI*	Security	Amount outstanding	Amount outstanding
Bank of Maharashtra	15.85	1	653,041,133	540,284,039
Indusind Bank	-	2	-	38,858,963
Bank of India	15.85	2	102,368,268	102,324,744
Oriental Bank of Commerce	15.85	2	248,792,269	-
IDBI Bank Ltd.	13.75	2	99,721,558	-

**Applicable Rate of Interest as on 31.03.2012.*

**ACCURATE TRANSFORMERS LTD.****Notes :**

- 1 In Cash Credit Accounts/LC/BG against hypothication of Land & Building, Stocks, Book Debts, Plant & Machinery, Stores, Spares & Personal guarantee of the Directors of the Company
- 2 First pari passu charge on current assets of the company both present and future and second charge on Plant & Machinery & other movable assets.

Particulars	As at 31st March, 2012	As at 31st March, 2011
8 Trade Payables		
(i) For Goods	533,130,104	545,716,220
(ii) For Expenses	28,684,067	29,964,235
	<u>561,814,171</u>	<u>575,680,455</u>
9 Other Current Liabilities		
(i) Retention Money	10,239,329	7,796,479
(ii) Other Liabilities	650,500	650,500
	<u>10,889,829</u>	<u>8,446,979</u>
10 Short Term Provisions		
(i) Income Tax Payable	12,500,000	22,150,000
(ii) Income Tax Payable (Previous Year)	42,650,000	20,500,000
	<u>55,150,000</u>	<u>42,650,000</u>
11 Non - Current Investments		
Quoted (at cost) (Non Traded)		
Equity Shares 40,700 (P. Y. 40,700) of Bank of Maharashtra of ` 10 each	936,100	936,100
Appr. Market Value of Shares as on 31.03.2012 is ` 22.30 Lacs (P. Y. ` 24.30 Lacs)		
	<u>936,100</u>	<u>936,100</u>
12 Long Term Loans and Advances		
(i) Security Deposit	9,389,123	4,220,454
(ii) Income Tax (against disputed cases)	11,082,465	20,488,723
(iii) Deposit with Excise and Sales Tax Department	4,481,992	199,650
(iv) Other Assets	17,500,000	17,500,000
	<u>42,453,580</u>	<u>42,408,827</u>

**ACCURATE TRANSFORMERS LTD.**

Particulars	As at 31st March, 2012	As at 31st March, 2011
13 Other non-current assets		
Miscellaneous Expenditure (To the extent not written off or adjusted)	219,321	263,186
14 Inventories (As taken valued and certified by the Management)		
(i) Raw Materials	114,811,622	91,355,984
(ii) Semi Finished Goods	84,606,492	75,492,327
(iii) Finished Goods	42,206,859	71,102,138
	<u>241,624,973</u>	<u>237,950,449</u>
15 Trade Receivables (Unsecured - Considered Good)		
(i) Debts exceeding six Months	77,128,831	128,509,693
(ii) Others	1,441,083,391	964,172,315
	<u>1,518,212,222</u>	<u>1,092,682,008</u>
16 Cash and Cash Equivalent		
(i) Cash in Hand	311,159	2,019,178
(ii) Fixed Deposit with Bank of Maharashtra & Indusind Bank (against security/ margin for LC, Guarantees & Hundis)	108,318,557	131,643,480
(iii) Short Term Deposit with SBI & BOM	-	119,000,000
(iv) Interest Accrued but not due (on FDs)	17,338,073	14,561,543
(v) Balance with Scheduled Banks	107,767,227	18,124,577
	<u>233,735,016</u>	<u>285,348,778</u>
17 Short Term Loans and Advances		
(i) Advances to Suppliers	150,557,699	118,066,167
(ii) Advances to Staffs	8,382,896	5,813,876
(iii) Earnest Money	12,049,242	11,549,242
(iv) Advance Income Tax & T.D.S.	67,571,715	35,514,794
(v) Sundry Advances	833,196	1,664,524
(vi) Prepaid Expenses	20,042,338	15,759,689
	<u>259,437,086</u>	<u>188,368,292</u>

**ACCURATE TRANSFORMERS LTD.**

Particulars	As at 31st March, 2012	As at 31st March, 2011
18 Revenue from Operations		
Manufacturing Sales	2,052,804,874	1,985,017,299
Trading Sales	502,840,000	318,288,111
Less : Excise Duty	65,459,452	93,096,165
	<u>2,490,185,422</u>	<u>2,210,209,245</u>
19 Other Income		
(i) Interest	8,921,880	5,093,646
(ii) Profit on Sale of Assets	356,296	-
(iii) Dividend	81,400	81,400
(iv) Miscellaneous Income	3,240,786	6,815,054
	<u>12,600,362</u>	<u>11,990,100</u>
20 Cost of Materials Consumed		
Opening Stock	91,355,984	87,884,950
Add : Purchases (Net)	1,527,309,251	1,466,865,981
Less : Closing Stock	114,811,622	91,355,984
	<u>1,503,853,613</u>	<u>1,463,394,947</u>
21 Purchase of Stock-in-Trade	501,582,900	316,559,565
22 Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade		
Opening Stock		
- Finished Goods	71,102,138	56,888,306
- Semi Finished Goods	75,492,327	82,955,651
Less : Closing Stock		
- Finished Goods	42,206,859	71,102,138
- Semi Finished Goods	84,606,492	75,492,327
	<u>19,781,114</u>	<u>(6,750,508)</u>

**ACCURATE TRANSFORMERS LTD.**

Particulars	As at 31st March, 2012	As at 31st March, 2011
23 Employee Benefit Expense		
(i) Salaries, Wages and Benefits	29,651,559	29,041,019
(ii) Director's Remmuneration	4,575,000	6,111,000
(iii) Contribution to P.F. & E.S.I.C.	429,536	619,650
(iv) Workmen & Staff Welfare Expenses	934,289	876,384
	<u>35,590,384</u>	<u>36,648,053</u>
24 Financial Costs		
(i) Interest	216,558,071	173,056,105
25 Other Expenses		
<u>Manufacturing & Other Expenses</u>		
a Manufacturing Expenses	55,779,300	43,867,512
b Freight & Cartage	27,140,773	19,912,304
c Power & Fuel	18,720,451	18,376,172
d Testing charges	5,034,148	5,739,913
e Machinery Repair & Maintenance	940,574	738,570
f Factory Maintenance	1,386,359	842,296
<u>Administrative & Selling Expenses</u>		
g Audit Fees (Refer Note 25.6)	260,000	307,674
h Advertising Expenses	239,398	424,798
i Building Repair	1,347,021	1,641,913
j Conveyance	483,469	529,126
k Consultancy Charges	548,611	809,663
l Commission	1,820,035	3,369,557
m Donation & Subscription	2,703,360	160,556
n Business Promotion	3,624,891	6,513,586
o Insurance	545,425	407,055
p Legal & Professional Charges	4,169,875	2,859,344

**ACCURATE TRANSFORMERS LTD.**

Particulars	As at 31st March, 2012	As at 31st March, 2011
q Miscellaneous Expenses	62,129	137,284
r Preliminary Expenses written off	43,865	43,865
s Printing & Stationery	689,526	631,759
t Postage, Telegram & Telephone	1,790,224	2,032,123
u Rent, Rates & Taxes	6,872,910	7,256,289
v Security Charges	3,466,211	3,281,796
w Short & Excess	–	32,150
x Travelling Expenses	8,313,738	5,930,869
y Tender Fees	2,354,125	544,668
z Vehicle Maintenance	3,214,819	2,592,212
aa Rebate & Discount	21,681,951	18,179,667
	<u>173,233,188</u>	<u>147,162,721</u>
26.1	Contingent Liabilities not provided for in respect of Bank Guarantee Rs. 102.63 Cr. (P. Y. Rs. 83.74 Cr.), Letter of credit Rs. 48.46 Cr. (P. Y. Rs. 37.93 Cr.)	
26.2	Contingent Liability not provided for in respect of Disputed Income Tax, Excise, Service Tax, VAT and Bills Discounted during the year because in the absence of records, we are unable to determine the liability of the tax and the penalties.	
26.3	Cenvat Credit on Excise Duty and VAT paid on goods is accounted for by reducing the purchase cost of related material.	
26.4	The closing stock is taken as valued and certified by the management of the Company.	
26.5	(i) Balance in the personal accounts, Debtors, Loans and Advances, other Current Assets, Creditors, Unsecured Loans and other liabilities are subject to confirmation and reconciliation from the respective parties	
	(ii) Reconciliation of Purchases and Sales are subject to verification and confirmation from the returns filed with Excise, VAT and other Departments.	
	(iii) Fixed deposits and Short Term Deposits with the Banks are subject to confirmation and Certificate from respective banks.	
	(iv) The Company has not received any information from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 & hence disclosures, if any, relating to the amounts as at year end	



ACCURATE TRANSFORMERS LTD.

Particulars	As at 31st March, 2012	As at 31st March, 2011
together with interest paid/ payable as required under the said act have not given.		
(v) As per Section 250 A of the Companies Act, 1956, Rs. 6.51 Lacs pertaining to unclaimed dividend & Unclaimed Share Application money due and outstanding (upto F.Y. 1998-1999) to be credited to Investor Education and Protection Fund.		
26.6 Auditor's Remuneration :		
For Statutory Audit	201,000	190,270
For Tax Audit	48,000	63,420
For Others	11,000	53,984
	<u>260,000</u>	<u>307,674</u>
26.7 (a) Managing /Wholetime Directors Salaries (including Contributions to Provident Fund & Commission) :		
(i) Managing Director's Salary	4,575,000	5,900,000
(ii) Other Director's Salary	-	211,000
TOTAL	<u>4,575,000</u>	<u>6,111,000</u>
(b) Computation of Net Profit under Section 349 of the Companies Act, 1956 Profit/(Loss) before exceptional items as per Profit and Loss Account	32,446,580	59,705,169
Add : Provision for depreciation as per Profit and Loss Account	10,082,257	9,375,324
Less : Depreciation under Section 350 of the Companies Act, 1956	10,082,257	9,375,324
Profit as per Section 349 of the Companies Act, 1956	<u>32,446,580</u>	<u>59,705,169</u>
Salary, Perquisites and Performance commission payable to Managing / Whole time Directors as per Section 198 and 309 of the Companies Act, 1956	3,244,658	5,970,517
Restricted as per resolution passed / to be passed by the shareholders	3,244,658	5,970,517

**ACCURATE TRANSFORMERS LTD.**

Particulars	As at 31st March, 2012	As at 31st March, 2011
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26.8 Director Remuneration as per Companies Act, 1956 calculated to Rs. 32,44,658/- but the Company actually paid Rs. 45,75,000/- to the Directors of the Company. The Company has informed us that they will seek the approval from the Central Government for the amount paid in excess.

26.9 The disclosure of transactions with the related parties as described in the A.S. - 18 issued by ICAI are given below :

a) Related Parties

<u>Name of Related Parties</u>	<u>Relation ship</u>
i. Accurate Meters Limited	Associates
ii. Modern Instruments Private Limited	Associates
iii. Sh. C. L. Sharma	Key Management Personnel
iv. Sh. Deepak Sharma	Key Management Personnel
v. Sh. Bhupal Singh	Key Management Personnel
vi. Sh. Subhash Chand Sharma	Key Management Personnel
vii. Smt. Pushpa Sharma	Relative of Key Management Personnel
viii. Smt. Poonam Sharma	Relative of Key Management Personnel
ix. Smt. Meera Sharma	Relative of Key Management Personnel

b) The following transactions were carried out with related parties in the ordinary course of business :

Nature of Transactions	Rs. in Lacs	
	Associates	Key Management Personnel
1 Purchase of Goods	71.28 (805.87)	- -
2 Sales of Goods	37.44 (62.76)	- -
3 Jobwork	79.38	-



ACCURATE TRANSFORMERS LTD.

Particulars	As at 31st March, 2012	As at 31st March, 2011
4 Reimbursement of Expenses		
- Paid	-	6.00
		(6.00)
5 Managerial Remuneration	-	45.75
		(61.11)
6 Outstanding at year end		
- Receivable	3,523.90	2,411.78
	(2,411.78)	-
- Payable	-	8.85
		(17.67)

(Previous Year's figure are indicating in brackets.)

26.10. Pursuant to compliance of AS-20 on earning per share, the relevant information is provided here below :

	(in Lacs)	
	2011-12	2010-11
Nominal Value of Equity Shares (`)	10	10
Net Profit after tax as per P&L Account	324.47	597.05
No. of Equity Share during the year	2,971,700	2,971,700
Earning per Share (basic/Diluted)	10.92	20.09

26.11. Shareholders of the Company in their meeting held on 30-09-2010 had allotted 148,000 (74,000 Warrants each to Mr. C.L. Sharma and Mr. Deepak Sharma promoters of the Company) of Rs. 10/- each at a premium of Rs. 97/- on preferential basis. The warrants were to be converted into Equity Shares of Rs. 10/- each on or before 28-06-2012 at a premium of Rs.97/- per Share.

The payment for warrants for 25% of the amount i.e Rs. 26.75 per warrant amounting to Rs. 19,79,500/- by each of the above Promoters was done earlier on 29-12-2010.

Now balance 75% of the amount i.e Rs. 80.25 per warrant amounting to Rs. 59,38,500/- each was to be done by Mr. C.L. Sharma and Mr. Deepak Sharma on or before 28-06-2012 and the Warrants was to be converted into equal number of Equity Shares on or before 28-06-2012.



ACCURATE TRANSFORMERS LTD.

But the above promoters have not deposited the due money on or before 28-06-2012. Hence the Board of Directors of the Company, in their meeting held on 04-07-2012 has forfeited total 25% of the upfront money amounting to Rs. 39,59,000/- and 1,48,000 Warrants stands lapsed.

26.12 The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

As per our Report attached

For S. LAL & COMPANY

Chartered Accountants
FRN : 000819C

Sohan Lal, F.C.A.
(Partner)
M No. 017310

For and on behalf of the Board

C. L. Sharma **Deepak Sharma**
Chairman & Managing Director Managing Director

V. K. Chhabra
Company Secretary

Place : Ghaziabad
Dated : 05.09.2012

**ACCURATE TRANSFORMERS LTD.****CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2012**

	Year Ended 31.03.2012	Year Ended 31.03.2011
A. Cash Flow from Operating Activities		
Net Profit before Tax & Extraordinary Items	42,104,257	82,753,138
Add : (a) Depreciation Charges	10,082,257	9,375,324
(b) Interest Charged	216,558,071	173,056,105
(c) Preliminary Expenses Written Off	43,865	43,865
Less : (a) Dividend Received	81,400	81,400
Operating Profit before Working Capital changes	268,707,050	265,147,032
(a) Increase/(Decrease) in Trade & Other Receivables	496,643,761	435,841,588
(b) Decrease/(Increase) in Trade Payables & Others	(9,523,545)	(177,399,221)
(c) Increase/(Decrease) in Inventories	3,674,524	10,221,542
Cash generated from Operation	(222,087,690)	(3,516,877)
Less : (a) Interest Paid	216,558,071	173,056,105
(b) Taxes Paid	21,303,275	-
Net Cash from Operating Activities (A)	(459,949,036)	(176,572,982)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(15,938,085)	(2,978,868)
Dividend Received	81,400	81,400
Sales of Fixed Assets	1,500,000	-
Net Cash from Investing Activities (B)	(14,356,685)	(2,897,468)
C. Cash Flow from Financing Activities		
Proceeds from issue of Share Capital	-	3,959,000
Proceeds from Bank & Other Borrowings	422,691,959	215,514,293
Dividend Paid	-	-
Net Cash from Financing Activities (C)	422,691,959	219,473,293
Net Increase in Cash & Cash equivalents (A + B + C)	(51,613,762)	40,002,843
Cash & Cash equivalents (Opening Balance)	285,348,778	245,345,935
Cash & Cash equivalents (Closing Balance)	233,735,016	285,348,778

As per our Report attached

For S. LAL & COMPANYChartered Accountants
FRN : 000819C**Sohan Lal, F.C.A.**
(Partner)
M No. 017310Place : Ghaziabad
Dated : 05.09.2012**For and on behalf of the Board****C. L. Sharma** **Deepak Sharma**
Chairman & Managing Director Managing Director**V. K. Chhabra**
Company Secretary

PROXY FORM

ACCURATE TRANSFORMERS LIMITED

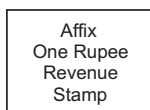
Regd. Office: 8, L.S.C, Vardhman Sidhant Plaza, Savita Vihar, Delhi 110 092

Regd. Folio No _____ / Demat A/c No. _____ No. of Shares _____

I/we _____ of _____ being a member / members of the above named company hereby appoint _____ of _____ or failing him _____ of _____ as my / our proxy to vote for me / us on my / our behalf at the 24th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at 9:00 a.m. at Surya Gardens, Farm House, Palla Bakhtawerpur Road, G.T. Road, Alipur, Delhi-110036 and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____



Note: This form, in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for meeting.

ATTENDANCE SLIP

ACCURATE TRANSFORMERS LIMITED

Regd. Office: 8, L.S.C, Vardhman Sidhant Plaza, Savita Vihar, Delhi 110 092

I/We hereby record my/our presence at the 24th Annual General Meeting of above named company being held on Saturday, the 29th September, 2012 at 9:00 a.m. at Surya Gardens, Farm House, Palla Bakhtawerpur Road, G.T. Karnal Road, Alipur, Delhi-110036

Name(s) of the Member(s) _____ Regd. Folio No _____ / Demat A/c No. _____

(To be filled in if the proxy attends instead of Member)

Name of Proxy (In Block Letter(s)) _____

Member's / Proxy's Signature

* This Attendance Slip duly filled in is to be handed over at the entrance of the meeting hall.

Book Post

To,

If undelivered, please return to :



Accurate Transformers Ltd.
8, L.S.C., Vardhman Sidhant Plaza, Savita Vihar
Delhi - 110 092