



*17th*  
*Annual Report*  
*and Accounts*  
*2003-2004*

**CERTIFIED TRUE COPY**

**For DHANASHREE ELECTRONICS LTD.**

*Madhupal Mahesh*

Director/Authorised Signatory

**DHANASHREE**  
**ELECTRONICS LTD.**

**BOARD OF DIRECTORS**

Mr. M. G. Maheshwari,	Chairman
Mr. Nitesh Toshniwal,	Managing Director
Mr. S. K. Toshniwal	
Mr. C. P. Toshniwal	
Mr. A. K. Guha	
Mr. R. K. Chandak	
Mr. R. K. Gupta	
Mr. M. L. Jhanwar	
Mr. B. R. Kabra	
Mr. P. Saha	
Mr. V. K. Sharma	

**BANKERS**

Union Bank of India  
State Bank of Mysore  
The HSBC Ltd.

**AUDITORS**

D. R. Jain & Co.  
Chartered Accountants  
12 Park Lane  
Kolkata-700016

**REGISTRAR & SHARE TRANSFER AGENT**

M/s. Maheshwari Datamatics Private Limited  
Regd. Office: 6, Mangoe Lane, Kolkata-700001  
Phone No. 2243-5809

**REGISTERED OFFICE**

Plot No. XI-16, Block EP & GP, Sector 'V'  
Salt Lake City, Kolkata-700091  
Phone No. 2357-3617

**WORKS**

Plot No. XI-16, Block EP & GP, Sector 'V'  
Salt Lake City, Kolkata-700091

## **NOTICE**

Notice is hereby given that the 17<sup>th</sup> Annual General Meeting of the shareholders of M/s Dhanashree Electronics Limited will be held at the registered office of the Company at Plot No. XI – 16 Block EP & GP Sector V Salt Lake City, Kolkata – 700 091, on Wednesday, the 29<sup>th</sup> September 2004 at 10.00 a.m. to transact the following Business:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March 2004 together with the Profit & Loss Account of the Company for the year ended on that date and the reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Sri Vijay Kumar Sharma who retires by rotation at this meeting and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Chand Prakash Toshniwal who retires by rotation at this meeting and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri Murari Lal Jhanwar who retires by rotation at this meeting and being eligible offers himself for re-appointment.
5. To appoint Auditors of the Company and to fix their remuneration.

Registered Office

Plot No. XI – 16 Block EP & GP  
Sector V, Salt Lake City  
Kolkata – 700 091  
Dated the 30<sup>th</sup> August 2004

By order of the Board

Nitesh Toshniwal  
Managing Director

### **NOTES**

1. A member entitled to attend and vote at the meeting is also entitled to appoint a proxy(ies) to attend and vote in his/her stead and a proxy need not be a member of the company. An instrument appointing a proxy in order to be effective should be deposited at the registered office of the Company not less than 48 hours before the meeting.
2. The register of members and the share transfer book of the Company shall remain closed from 20/09/2004 to 28/09/2004, both days inclusive.
3. Members are requested to notify changes in their mailing address, if any, to company's share transfer agent M/s Maheshwari Datamatics Pvt. Ltd. immediately.
4. Members and proxy holders are requested to bring with them the attendance slip duly signed for attending the meeting.
5. Any member seeking any information/clarification pertaining to the audited accounts of the Company may kindly inform the Company in writing at least 7 days in advance so that your Directors could be ready with the desired particulars.

**DIRECTORS REPORT TO THE SHAREHOLDERS:**

Your Directors take pleasure in presenting the 17<sup>th</sup> Annual Report and the Audited Statements of Accounts for the year ended on 31<sup>st</sup> March 2004.

**FINANCIAL RESULTS:**

The Financial Results of the company for the year under review and those of the previous year are given here under:

	(Rs. in Lacs)	
	For the year ended 31.03.2004	Previous year ended 31.03.2003
Gross Turnover (including other income)	147.29	168.53
Less: Expenses:	107.63	136.20
Gross Profit (Before Dep. Int. & Tax)	39.66	32.33
Less: Depreciation	13.37	11.99
Less: Interest	29.33	28.62
Net Profit (Before Tax)	(3.05)	(8.28)
Less: Provision for Tax	-	-
Less: Provision for Deferred Tax	-	-
Net (Loss)	(3.05)	(8.28)
Balance B/F	(84.85)	(76.57)
Balance (loss) carried to Balance Sheet	(87.90)	(84.85)

Though the gross turnover decreased by 13% compared to previous year, there was a sizeable increase in the gross profit before Depreciation and Interest by about 23%, mainly due to continuous improvements in operational efficiencies and effective cost control mechanism and close monitoring of production schedules. Your Directors are optimistic about further improvements in the working results in the current year.

**DIVIDEND:**

There being no realised profits, your Directors regret their inability to recommend any Dividend for the year.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

A Report on Management Discussion and Analysis forming part of this Annual Report is annexed hereto and marked as Annexure - 'A'

### **CORPORATE GOVERNANCE:**

A separate Report on Corporate Governance together with certificate of compliance from the Auditors in terms of clause 49 of the Listing Agreement is annexed hereto and marked as Annexure 'B'

### **DIRECTORS RESPONSIBILITY STATEMENT:**

In compliance with the provisions u/s 217 (2AA) of the Companies Act 1956, your Directors hereby confirm:

- (i) that in the preparation of the Annual Accounts of the Company, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- (ii) that your Directors have selected such Accounting Policies as detailed in Schedule 12 to the Annual Accounts and applied them consistently and made judgements and estimates that are reasonable and prudent 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 that period ;
- (iii) that to the best of their knowledge and information, they have taken proper and sufficient care for 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 to the best of their knowledge and ability ; and
- (iv) that the Annual Accounts have been prepared on a going concern basis.

### **PUBLIC DEPOSITS:**

The Company did not receive and/or renew any deposit from the Public during the year nor was there any balance carried forward.

### **DIRECTORS:**

Sri V. K. Sharma, Sri C. P. Toshniwal and Sri M. L. Jhanwar Directors of the Company retire by rotation at the forthcoming Annual General meeting and, being eligible, offer themselves for re-appointment.

Mr. V.K.Sharma, aged about 40 years is a commerce graduate having wide experience in the field of Business and Marketing.

Mr. C.P.Toshniwal, aged about 47 years is a Commerce Graduate having wide experience of Business and Sales.

Mr. M.L.Jhanwar, aged about 50 years is a Businessman and has wide experience in the field of Business and Administration.

### **AUDITORS**

M/s. D. R. Jain & Co., Chartered Accountants, retire and are eligible for re-appointment as Auditors.

### **ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE.**

The information required under section 217 (1)(e) of the Companies Act, read with the Companies (Disclosure of Particulars in the Report of the Board of directors) Rule 1988, with respect to conservation of energy, technology absorption and foreign exchange is annexed hereto as Annexure 'C' and form part of this Report.

### **PERSONNEL**

Your Directors place on records their appreciation of the valuable services and sincere contributions made by the employees at all levels.

The Management and Employee relationship continued to be very cordial during year.

### **ACKNOWLEDGEMENT**

Your Directors sincerely appreciate the high degree of professionalism, commitment and dedication displayed by employees at all levels. The Directors also place on record their gratitude to the Members, various departments of the Central and State Government and Bankers for their continued support, co-operation and confidence.

Place : Kolkata  
Date : 5<sup>th</sup> August 2004

**For and on behalf of the Board**  
M. G. Maheshwari      Nitesh Toshniwal  
Director                      Managing Director

## **ANNEXURE 'A'**

### **MANAGEMENT DISCUSSION & ANALYSIS:**

#### **INDUSTRY STRUCTURE & DEVELOPMENT:**

The Lighting Industry has great prospects in the Country. With more and more Electrification of the rural India and growing activities in the Infrastructural Developments of the country. The increase in the demands for the products of the Industry will grow in a geometric progression. There is already a wide gap between the demand and supply of Lighting products and it is expected to widen further consequent to an estimated increase in the demand by above 15% p.a. in the next 5 year plan period. Moreover increased attention of the consumers is drawn to the modern sophisticated and luxury items while the traditional items continues to rule the mass market. Your Directors are happy to announce that your Company has got approval from the Bureau of Indian Standard for our copper choke, we further inform that we have also got DGS&D rate contract which will help us to grow further in the years to come. We are also expecting a very good business volume from various department of Government of India because of this approval of DGS&D rate contract.

#### **OPPORTUNITIES & THREAT**

The Filament manufacturing Industry was in its infancy till recently. The Lighting Industry in the Country had to depend on the import of filaments from the developed countries in the west. In fact, the Lighting Industry in the country had been dependent on a few Large scale producers generally controlled by multinational giants. But with the growing support of the Central Government for indigenous industry with import of necessary technical know-how, the medium sized producers have a wide scope and opportunities to grow.

#### **OUTLOOK:**

Barring some unforeseen circumstances, the Company is committed to grow with progressively improved profitability and import of more and more modern technologies.

#### **RISK & CONCERN:**

Your Directors do not foresee any immediate risk as such. Yet the following factors may influence further prospects to some extent:

- (i) fluctuation in Budget allocations for infrastructure Developments affecting the growth in the demand for Lighting products ; and
- (ii) Intensity of the price war imported by new entrants from other Asian Countries, specially China and Korea.

### **RESEARCH & DEVELOPMENT :**

The Company is in the process of setting up a more modern Research & Development centre with necessary state of the art laboratory facilities. The new setup will be exclusively engaged for development of a new range of value added products. Necessary steps are being taken to obtain accreditations for ISO 9001-2000 for maintenance of international quality standards.

### **INTERNAL CONTROL:**

The Company has proper and adequate system of internal controls commensurate with the size of the Company and the nature of its business. Regular Internal Audits and checks are carried out to ensure that the responsibilities are executed effectively and that adequate systems are in place.

### **HUMAN RESOURCE DEVELOPMENT & INDUSTRIAL RELATION:**

The Company continues to maintain excellent Industrial Relations while ensuring continuous development of Human Resources through appropriate training and Educational Programmes towards achieving improved productivity and flexibility in production and marketing.



## **ANNEXURE-B**

### **REPORT ON CORPORATE GOVERNANCE:**

#### **1. PHILOSOPHY:**

The Company believes in total Transparency, Accountability and Equity in Management of the affairs of the company at all levels. The Company is fully committed to and envisages to implement and achieve highest level of good Corporate Governance keeping in view the latest requirements of the Listing Agreements and present day corporate practices. It endeavours to attend the highest standard of such qualities in all spheres of company's operations and in its interactions with its customers and shareholders which is the key factor for sustainable corporate growth and long term value additions for its Shareholders.

#### **2. BOARD OF DIRECTORS:**

The Board of Directors closely monitors the performance and management of the company .It approves and reviews the strategy of the day to day conduct of company's business through its various committees and also evaluates their respective performances. It ensures legal and ethical conduct and accuracy in financial reporting. It holds itself responsible for the long term health of the company.

The day to day affairs of the company is managed by the wholetime Managing Director under the control and supervision of the Board. The Non Executive Directors of the company are professionally qualified having wide experience in general Corporate Management, Finance and Law. The ratio of independent and non-independent Directors in the Board confirms to the norms laid down under clause 49 of the Listing Agreements. None of the Directors is a member of more than the stipulated number of Boards or committees and all of them have made disclosures regarding their other membership. The Company has not entered into any materially significant transaction with its Promoters, Directors or their relatives etc. that may have potential conflict with the interest of the company at large.

During the year under review there had been fourteen(14) Board Meetings held on April 30, June 30, July 25, August 8 and 29, October 1, 20, 22 and 30, November 24, December 18, January 20, February 21 and March 22, 2004. The last Annual General Meeting was held on December 15, 2003. The Names, Categories, attendance in Meetings and other relevant particulars of the Directors are given in the undemoted table.

<b>Name of Directors</b>	<b>No. of Meeting Attended</b>	<b>Attendance in last AGM</b>
Sri S K Toshniwal	9	No
Sri M G Maheshwari	14	Yes
Sri N Toshniwal	14	Yes
Sri S P Toshniwal	10	Yes
Sri M L Jhanwar	9	Yes
Sri B R Kabra	10	Yes

Sri P Saha	10	Yes
Sri C P Toshniwal	14	Yes
Sri A K Guha	8	Yes
Sri R K Gupta	8	Yes
Sri R K Chandak	8	Yes
Sri V K Sharma	10	Yes

### **3. BOARD PROCEDURES:**

The Board of Directors meets from time to time for transacting such business in respect of which Board's attentions and sanctions are needed . There is a well laid procedure of sending to all the Directors due notice of the meetings accompanied by the detailed agenda papers well in advance of the meetings so that the Directors can attend the meetings well prepared for effectively participating in the discussions and transacting the business of the meetings. The Directors freely express their views on each and every item on the agenda and the decisions are taken and resolved on a consensus basis and thereafter necessary steps are taken for due implementation of such decisions without any reservation.

### **4. AUDIT COMMITTEE :**

The Audit Committee constituted in March, 2003 consists of three independent non executive Directors and one Director. The members of the Committee are well versed in finance matters, accounts, company law and general business practices.

The composition of the Audit Committee is as under:

1. Sri M L Jhanwar
2. Sri B R Kabra
3. Sri C P Toshniwal
4. Sri V K Sharma

The terms of reference of the Audit Committee include:

1. To review financial statements and pre-publication announcements before submission to the Board.
2. To ensure compliance of internal control systems and action taken on internal audit reports.
3. To apprise the Board on the impact of accounting policies, accounting standard and legislation.
4. To hold periodical discussions with statutory auditors on the scope and content of the audit.
5. To review the Company's financial and risk management policies.