

18th Annual Report
2004-2005

Report  junction.com

Rashmi[®]
DHANASHREE
ELECTRONICS LTD.

Dhanashree Electronics Limited

BOARD OF DIRECTORS

Mr. M. G. Maheshwari, Chairman
Mr. Nitesh Toshniwal, Managing Director
Mr. S. K. Toshniwal
Mr. C. P. Toshniwal
Mr. Abhishek Toshniwal, appointed from 01.07.05
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

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamatics Private Limited
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. 2357-3617/1059

WORKS

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

Dhanashree Electronics Limited

NOTICE

Notice is hereby given that the 18th 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 Thursday the 29th September 2005 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 31st March 2005 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 A K Guha who retires by rotation at this meeting and being eligible offers himself for re-appointment
3. To appoint a Director in place of Sri Santosh Kumar 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 R K Gupta who retires by rotation at this meeting and expressed his inability to be re-appointment because of his deteriorating health.
5. To appoint Auditors of the company and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 269 and other applicable provisions of the Companies Act, 1956 (the “Act”), Mr. Abhishek Toshniwal, who was appointed as a Whole Time Director of the Company by the Board of Directors subject to approval of the same in the general meeting, be and is hereby approved to be continued as a Whole Time Director of the Company liable to retire by rotation.”

By Order of the Board

Nitesh Toshniwal
Managing Director

Place: Kolkata
Date: 26th August 2005

Dhanashree Electronics Limited**NOTES:**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY(IES) TO ATTEND AND TO VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. AN INSTRUMENT APPOINTING A PROXY IN ORDER TO BE VALID AND EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
- The respective Explanatory Statements pursuant to Section 173(2) of the Companies Act, 1956 in respect to item 6 of the Notice set out above, is annexed hereto.
- The Register of Members and Share Transfer Books of the Company will remain closed from 26 September to 29 September 2005 (both days inclusive).
- Members are requested to notify immediately any change in their address:
 - 1 In respect of shares held in electronic form, to their Depository Participants (DPs)
 - 2 In respect of shares held in physical form, to the Company or to the Registrar & Transfer Agent, Maheshwari Datamatics Private Limited having their address at 6, Mangoe Lane, 2nd Floor, Kolkata – 700 001 quoting their Folio Number(s).
- Non-resident Indian Shareholders are requested to inform the Company or its Registrar & Transfer Agent or to the concerned DP, as the case may be, immediately the change in the residential status on return to India for permanent settlement.
- Depository System

The Company has entered into agreement with NSDL and agreement with CDSL is under consideration. Members, therefore, now have the option of holding and dealing in the shares of the Company in electronic form through NSDL.

The Depository System envisages the elimination of several problems involved in the scrip-based system such as bad deliveries, fraudulent transfers, fake certificates, theft in postal transit, delay in transfer, mutilation of share certificates, etc. Simultaneously, Depository System offers several advantages like exemption from stamp duty, elimination of concept of market lot, elimination of bad deliveries, reduction in transaction cost, improved liquidity etc.

- Sri R K Gupta expressed his intention for not to be re-appointed as the Director of the Company because of his indifferent health, there being no proposal for appointment of any Director in his place. Yours Directors recommended no appointment be made in the vacancy caused by the retirement of Sri R K Gupta.

EXPLANATORY STATEMENT

**Pursuant to Section 173(2) of the Companies Act, 1956;
Item No. 6**

Mr Abhishek Toshniwal, a young and energetic professional having completed his post graduation in Finance from USA, was appointed as a whole time Director by the Board with

Dhanashree Electronics Limited

effect from 01.07.2005 to look after the marketing & diversification of the Company's product subject to consent of the members in the forthcoming Annual General Meeting. The terms and conditions as detailed below:

- **Period of Appointment:** 3 years (with effect from 01.07.05, to expire on 30.06.08)
- **Duties & Responsibilities:** He will be responsible and incharge of the Marketing Division of the Company and shall act, under the permission, control and direction of the Board and shall be reporting to the Managing Director.
- **Salary:** Rs. 15,000/- per month, with authority to the Board to vary, revise or increase the Salary subject to the recommendation of the Remuneration Committee & in accordance with the remuneration/management policy prescribed by Central Government from time to time.
- **Perquisites:** In addition to his monthly salary the whole time Director will be intitled to the under mentioned perquisites subject to a limit of his annual salary in aggregate and as ceiling prescribed under Schedule – XIII of the Act as detailed here under:
 - Free furnished Accommodation or House Rent Allowance as per Income tax rules.
 - Reimbursement of expenses for gas, electricity and furnishing, subject to a limit of one month salary per year.
 - Leave Travel Allowance equivalent to one month salary per year for self and family.
 - Medical Expenses reimbursement for self and family equivalent to one month salary for a year or 3 months salary for a block of 3 years.
 - Club Membership: Reimbursement of Membership fee of 2 Clubs excluding the life membership or admission fee.
 - Provident Fund & Gratuity: As per Company's rule and this benefit shall not be taken in account for computing the perquisite value.
 - Pre telephone connection at his residence and Company's Car for Company's Business and the cost of same shall not be included in computation of perquisite.

Section 269 and other applicable provisions of the Companies Act, 1956 required the appointment of Whole time Director to be approved by the Shareholders.

Your Directors recommends the resolution as set out under item no. 6 of the Notice, be approved in the interest of the Company.

Excepting Mr. Abhishek Toshniwal and Mr. Nitesh Toshniwal, non other Directors are interested or concerned in this resolution.

By Order of the Board

Nitesh Toshniwal
Managing Director

Place: Kolkata

Date: 26th August 2005

Dhanashree Electronics Limited

DIRECTORS REPORT TO THE SHAREHOLDERS:

Your Directors take pleasure in presenting the 18th Annual Report and the Audited Statements of Accounts for the year ended on 31st March 2005.

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 31.03.2005	Previous year ended 31.03.2004
Gross Turnover (including other income)	220.29	147.29
Less: Expenses:	181.96	107.63
Gross Profit (Before Dep. Int. & Tax)	38.33	39.66
Less: Depreciation	23.51	13.37
Less: Interest	16.61	29.33
Net Profit (Before Tax)	(1.79)	(3.05)
Less: Provision for Tax	-	-
Less: Provision for Deferred Tax	-	-
Net (Loss)	(1.79)	(3.05)
Balance B/F	(87.90)	(84.85)
Balance (loss) carried to Balance Sheet	(89.69)	(87.90)

There has been a substantial growth in the turnover of your Company and thus it was able to reduce its losses compare to the previous year. An expansion programme is under consideration though with your directors expects a good growth in the Company's performance and thus 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:

Dhanashree Electronics Limited

- (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.

PARTICULARS OF EMPLOYEES

The Company has no employee whose remuneration is more than the limit specified in Section 217 (2A) of the Companies Act, 1956.

DIRECTORS:

Sri A K Guha, Sri S. K. Toshniwal and Sri R. K. Gupta, Directors of the Company retire by rotation at the forthcoming Annual General meeting and, being eligible, offer themselves for re-appointment. Only Sri R. K. Gupta expressed his inability to be re appointed as Director because of his growing age and indifferent health. Brief Particulars of the Directors are stated as under:

Sl. No	Name & Address	Age	Qualification	Experience
1	A K Guha; 5/5A J G Road; Kol – 42	50	B.Com	30 years
2	S K Toshniwal; 11 Pollock St.; Kol-1	48	B.Com	20 years
3	R K Gupta; 9 Mullen Street; Kol – 20	75	M. Com	40 years
4	Abhishek Toshniwal; 11 Pollock St	24	B.Com (H); MBA	01 years

Mr. A. K. Guha, aged about 50 years is a commerce graduate having wide experience in the field of Business and Marketing. He is not a Director of any other Company nor he hold any place in any of the Committees of the Company

Mr. S. K. Toshniwal, aged about 48 years is a Commerce Graduate having wide experience of Companies Finance and Purchase. He is not a Director of any other Company nor he hold any place in any of the Committees of the Company.

Dhanashree Electronics Limited

Mr. R. K. Gupta, aged about 75 years has served the Company for more than 3 years and has contributed in the growth and development of the Company. Your Company highly appreciate the performance of Mr. Gupta and expects that he will shower his enrich is deep knowledge and experience to Company from time to time, if required.

Mr. Abhishek Toshniwal, aged about 24 years is highly educated professional and has done his MBA in Finance from USA. Your Company feels that his presence will enable to make RASHMI a Global Brand and thus will held in the growth of the Company He is not a Director of any other Company nor he hold any place in any of the Committees of the Company

AUDITORS

M/s. D. R. Jain & Co., Chartered Accountants, retires and is 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 : 16th August 2005

For and on behalf of the Board

M. G. Maheshwari
Director

Nitesh Toshniwal
Managing Director

Dhanashree Electronics Limited

ANNEXURE 'A'

MANAGEMENT DISCUSSION & ANALYSIS:

INDUSTRY STRUCTURE & DEVELOPMENT:

The Indian Economy has seen a huge growth in the overall economy and Electronics Sector is also reflecting the same. 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. 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. Your Company is getting a very good business volume from various department of Government of India because of this approval of DGS&D rate contract. Your Company has made technical collaboration with Korean Company for manufacturing of Lighting Products. It has also stated importing of various electronics items and selling the same in domestic areas. There has been a huge demands of those products thus your Company is very much optimistic about its future developments. With an aim of making good business activity in the field of Import and Export, your Company is participating in various Seminars and Exhibitions in collaboration with various foreign Companies, in this connection your Company is participating in the International Lighting Exhibition to be held in Pragati Maidan, New Delhi, in mid of September, 2005. Your Directors expects a good business Development and growth through these Seminars and Exhibitions.

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.

Dhanashree Electronics Limited

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 acreditations 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.