

20<sup>th</sup> Annual Report  
2006 - 07

**VISION  
GROWTH  
STRENGTH  
LEADERSHIP**

**Rashmi**®

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

*Let's save energy*

**BOARD OF DIRECTORS**

|                        |                           |
|------------------------|---------------------------|
| Mr. M. G. Maheshwari,  | Chairman                  |
| Mr. Nitesh Toshniwal,  | Managing Director         |
| Mr. C. P. Toshniwal    | Resigned w.e.f 23.11.2006 |
| Mr. Abhishek Toshniwal | Resigned w.e.f 23.11.2006 |
| Mr. A. K. Guha         |                           |
| Mr. R. K. Chandak      |                           |
| Mr. M. L. Jhanwar      | Resigned w.e.f 23.11.2006 |
| Mr. B. R. Kabra        |                           |
| Mr. P. Saha            |                           |
| Mr. V. K. Sharma       |                           |

**BANKERS**

Union Bank of India  
State Bank of Mysore  
UTI Bank Limited

**AUDITORS**

**SURANA SUNIL & CO.**  
Chartered Accountants  
P-38, India Exchange Place  
Arun Chamber, 3<sup>rd</sup> Floor  
Kolkata-700001

**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

**WORKS**

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

## DIRECTORS REPORT TO THE SHAREHOLDERS :

Your Directors take pleasure in presenting the 20th Annual Report and the Audited Statements of Accounts for the year ended on 31st March 2007.

### FINANCIAL RESULTS :

The Financial Results of the company for the year ended 31.03.2007 relating to the previous year are given here under:

|   | For the year<br>Ended 30.03.2007 | (Rs. in 'Lacs)<br>Previous year<br>31.03.2006 |
|---|----------------------------------|---|
| Gross Turnover                              | 541.61                           | 368.89  |
| Other income                                | 3.60                             | 3.89  |
| Less: Expenses                              | 460.74                           | 305.08  |
| Gross Profit (Before Dep. Int.)             | 84.47                            | 67.03   |
| Less: Depreciation                          | 26.75                            | 24.53   |
| Less: Interest                              | 29.39                            | 23.77   |
| Net Profit (Before Tax)                     | 28.33                            | 18.73   |
| Less : Provision for Tax                    | 1.09                             | .65   |
| Net Profit (After Tax)                      | 27.24                            | 18.08   |
| Add : Excess Provision for tax written Back | -                                | 5.39  |
| Balance B/F                                 | (66.23)                          | (89.79)                                       |
| Balance carried to Balance Sheet            | (38.99)                          | (66.23)                                       |

### PERFORMANCE :

There has been a substantial growth in the turnover of your Company and thus it was able to reduce further its carried forward losses. An expansion programmed is under consideration and your directors expect substantial growth in the Company's performance. Your Directors are optimistic about further improvements in the working results in the current year.

### DIVIDEND :

There being no realized 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 REPORT TO THE SHAREHOLDERS (Contd.) :**

### **DIRECTORS RESPONSIBILITY STATEMENT :**

In compliance with the provisions of section 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 judgments 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. And thereby not attracting the provisions under the Act.

### **DIRECTORS:**

Sri A K Guha and Vijay Kumar Sharma Directors of the Company retire by rotation at the forthcoming Annual General meeting and, being eligible, offer themselves for re-appointment. Sri Abhishek Toshniwal,

C. P. Toshniwal and Sri M. L. Jhanwar expressed their intention for not to be re-appointed as the Director's of the Company because they were unable to adjust their time with the company rule and regulation

### **AUDITORS**

M/s. Surana Sunil & Co., Chartered Accountants, appointed as a Auditor in place of M/s D. R. Jain & Co., by a resolution of the member dated 31 st January, 2007. M/s Surana Sunil & Co. hold the office until conclusion of the forth coming Annual General Meeting and being eligible offer themselves for reappointment. The report of the Auditors when read with notes on accounts it self explanation and needs no further clarification.

### **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.

## **DIRECTORS REPORT TO THE SHAREHOLDERS (Contd.) :**

### **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: 05.09.2007

By Order of the Board

M. G. Maheshwari  
Chairman

Nitesh Toshniwal  
Managing Director

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## 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.

#### 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, USA 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.

Your Company has been obtained ISO 9001-2000 for maintenance of international quality standards.

**ANNEXURE 'A'****MANAGEMENT DISCUSSION & ANALYSIS: (Contd.)****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.

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**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 seven(7) Board Meetings held on April 29, July 28, September 2, October 28, November 23, January 15 and 22, 2007. The last Annual General Meeting was held on September 28, 2006. The Names, Categories, attendance in Meetings and other relevant particulars of the Directors are given in the undernoted table.

| Name of Directors      | No. of Meeting Attended | Attendance in last AGM |
|------------------------|-------------------------|------------------------|
| Sri M G Maheshwari     | 7                       | Yes                    |
| Sri N Toshniwal        | 7                       | Yes                    |
| Sri M L Jhanwar        | 5                       | Yes                    |
| Sri B R Kabra          | 7                       | Yes                    |
| Sri P Saha             | 7                       | Yes                    |
| Sri C P Toshniwal      | 5                       | Yes                    |
| Sri A K Guha           | 7                       | Yes                    |
| Sri R K Chandak        | 7                       | Yes                    |
| Sri V K Sharma         | 7                       | Yes                    |
| Sri Abhishek Toshniwal | 5                       | 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. GENERAL BODY MEETINGS:

Dates Venue and timings of the Annual General Meetings and Extra Ordinary General Meeting held during the last 3(three) years are shown in the undernoted Table:

| Date       | Location  | AGM/EGM | Day       | Time       |
|------------|---|---------|-----------|------------|
| 29.09.2004 | Plot No. XI-16, Block EP & GP,<br>Sector V, Salt LakeCity, Kolkata-700091 | AGM     | Wednesday | 10.00 A.M. |
| 29.09.2005 | -DO-  | AGM     | Friday    | 10.00 A.M. |
| 06.02.2006 | -DO-  | EGM     | Monday    | 04.00 P.M. |
| 29.09.2006 | -DO-  | AGM     | Thursday  | 10.00 P.M. |

The business of Extra Ordinary General Meeting was passed through Postal Ballot.

### 5. DISCLOSURES:

#### (i) STATUTORY COMPLIANCES, PENALTIES & STRICTURES:

The Company has generally complied with the requirements of the Stock Exchanges, SEBI and Statutory Authorities on all matters relating to Capital Markets during the last 3 (three) years. No penalties and/or strictures had been imposed on the company by the Stock Exchanges, SEBI or Statutory Authorities relating to the above.

#### (ii) RELATED PARTY TRANSACTIONS:

Among the related party transactions, contracts or arrangements made by the Company from time to time with the companies and firms in which the Directors or their relatives are interested are entered in the Register of Contracts maintained by the company u/s 301 of the Act and the Register was placed before the relevant Board Meeting to record necessary consent and ratifications of the Board. There had been no material transaction during the year 2006-07 that are prejudicial to the interest of the Company.

### 6. MEANS OF COMMUNICATION:

The Company regularly intimates the unaudited as also the audited Financial Results to the Stock Exchanges immediately after the same are taken on records by the Board. Quarterly results are also published in newspapers, one in English and one in Vernacular. These are not sent individually to shareholders.

**7. GENERAL SHAREHOLDER INFORMATION:**
**ANNUAL GENERAL MEETING :**

|                           |   |
|---------------------------|---|
| Date & Time               | : 28 <sup>th</sup> September 2007 at 09.30 am.                              |
| Venue                     | : Plot No - XI-16, Block EP & GP, Sector V, Salt Lake City, Kolkata- 91     |
| Financial Calender        | : Year ending 31 <sup>st</sup> March every year                             |
| Date of Book closure      | : 22 <sup>th</sup> to 28 <sup>th</sup> September 2007 (both days inclusive) |
| Listing on Stock Exchange | : Calcutta (CSE), New Delhi (DSE),<br>Cochin(CSE) Ahmedabad (ASE)           |
| Stock Code                | : Calcutta Stock Exchange -Code: 30865                                      |

The Company is regular in payment of Annual Listing Fees to Calcutta Stock Exchange, while at other Stock Exchanges, your Company is trying to make one time settlement.

**REGISTRAR AND SHARE TRANSFER AGENT**

M/s Maheshwari Datamatics Pvt. Ltd. 6, Mangoe Lane, Kolkata – 700001, Phone : 033-22435809

**SHARE TRANSFER SYSTEM:**

Requests for transfer, transmission, Duplicate issues, Sub-division, Consolidation etc. of Shares in physical forms are received at the office of the RTA as also at the Registered office of the company. The Shareholders & Investors Grievance Committee deals with the such requests and process the same strictly within the stipulated time period. Shares held in dematerialised electronic mode are traded in the Depository and the RTA is in its turn informed of the beneficial holdings with a view to update their records and to send all corporate communications and Dividends accordingly.

Physical Shares received for dematerialisation are processed and computrised within a period of 15 days from the date of their receipt provided they are found to be in order in every respect. Bad deliveries are immediately returned to the Depository Participants under advice to the Shareholders.

**SHAREHOLDING PATTERN : (As on 30/06/2007)**

| <u>CATEGORY</u>           | <u>NO. OF SHARES</u> | <u>% HOLDING</u> |
|---------------------------|----------------------|------------------|
| INDIAN PROMOTERS          | 2110100              | 31.5411          |
| FOREIGN PROMOTERS         | -                    | -                |
| PERSONS ACTING IN CONCERT | 67500                | 1.009            |
| NRI'S /OCB                |                      |                  |
| OTHER BODIES CORPORATE    | 253800               | 3.7937           |
| INDIAN PUBLIC INDIVIDUALS | 4258600              | 63.6562          |
| OTHERS                    | -                    | -                |
| <b>TOTAL</b>              | <b>6690000</b>       | <b>100</b>       |