

ANNUAL REPORT

# 22nd Annual Report 2008-09

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# DHANASHREE

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## ELECTRONICS LTD.

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**BOARD OF DIRECTORS**

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

**BANKERS**

Union Bank of India  
State Bank of Mysore  
Axis Bank Limited

**AUDITORS**

Surana Sunil & Co.  
Chartered Accountants  
P-38, India Exchange Place  
Arun Chamber, 3rd 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

**DHANASHREE  
ELECTRONICS LTD.**

## **NOTICE**

Notice is hereby given that the 22nd 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 Tuesday the 29th September 2009 at 9.30 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 2009 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 B. R. Kabra who retires by rotation at this meeting and being eligible offers himself for re-appointment
3. To appoint a Director in place of Sri V. K. Sharma who retires by rotation at this meeting and being eligible offers himself for re-appointment
4. To appoint Auditors of the company and to fix their remuneration.

By Order of the Board

Place : Kolkata  
Date : 31.08.2009

Nitesh Toshniwal  
Managing Director

### **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. AND 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 Register of Members and Share Transfer Books of the Company will remain closed from 22nd September to 29 September 2009 (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.

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ELECTRONICS LTD.

● Depository System

The Company has entered into agreement with NSDL while agreement with CDSL is under process. 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.

By Order of the Board:

Place: Kolkata  
Date: 31.08.2009

Nitesh Toshniwal  
Managing Director

PARTICULARS OF THE DIRECTOR(S) SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING; AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT.

NAME:	B. K. KABRA	V. K. SHARMA
DATE OF BIRTH	04.12.1956	01.01.1965
DATE OF APPOINTMENT	29.08.2003	29.08.2003
QUALIFICATION	B. Com.	B. Com.
EXPERTISE	33 years	28 years
EXPERIENCE	Accounts	Marketing
Directorship in Other Companies.	NONE	NONE

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**DIRECTORS REPORT TO THE SHAREHOLDERS.**

Your Directors take pleasure in presenting the 22nd Annual Report and the Audited Statements of Accounts for the year ended on 31<sup>st</sup> March 2009.

**FINANCIAL RESULTS:**

The Financial Results of the company for the year ended 31.03.2009 relating to the previous year are given here under:

	<b>For the year Ended 31.03.2009</b>	<b>(Rs. in 'Lacs) Previous year Ended 31.03.2008</b>
Gross Turnover	559.14	499.15
Other income	1.78	4.25
Less: Expenses:	470.01	408.50
Gross Profit(Before Dep. Int. & Tax)	90.91	94.90
Less: Depreciation	28.52	28.03
Less: Interest	22.58	25.43
Net Profit(Before Tax)	39.81	41.44
Less: Provision for Tax	7.39	3.13
Net Profit (After Tax)	32.42	38.31
Balance B/F	(0.68)	(38.99)
Apportionment for Provision of Gratuity	(4.16)	(0)
Balance carried to Balance Sheet	27.57	(0.68)

**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 programme is under consideration and your directors expects a 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 insufficient 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'

ELECTRONIC FILE

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

### **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 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 was 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 B. R. Kabra and Sri V. K. Sharma Directors of the Company retire by rotation at the forthcoming Annual General meeting and, being eligible, offer themselves for re-appointment.

### **AUDITORS**

M/s. Surana Sunil & Co., Chartered Accountants of the Company hold the office until conclusion of the forthcoming 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.

### **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.

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

**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

**For and on behalf of the Board**

Date: 31.08.2009.

M. G. Maheshwari  
Chairman



**ANNEXURE 'A'**
**MANAGEMENT DISCUSSION & ANALYSIS:**
**INDUSTRY STRUCTURE & DEVELOPMENT:**

Indian Economy is being considered as one of the fastest growing Economy in World. To cope with the space of Industrial Growth of the Country. Prime focus has been given to infrastructure development. As a consequence there of a boom is resulting in construction industries all over the country which resulted in increasing the demands for the products of Electrical & Electronics Industries in Geometric probation. Over all Industrial growth of the country also stimulates the demands for modern sophisticated and luxury items as usual. However, the traditional items continue to rule the mass market. Yours Directors are duly geared to the changed situation and have appropriately revised its production schedules and product ranges to avail of the market opportunities for the fullest extent. The company has entered into technical collaboration with a Korean Company for manufacture as well import of very Electronics Items and lighting products keeping in view the market demands as also the Government supply requirements. The Company is also obtained the distributorship for all India of M/s. Music & Sales GMBH Germany manufacturer of H.K. Audio devices for sound systems and also started the business.

**OPPORTUNITIES & THREAT**

The increased cost of power has turned the general attention towards economy in power consumption. In the process the developed countries have concentrated in the CFL Lights. The Indian Market is not lagging behind. Encouraged by the growing demands for CFL Lamps more and more companies have entered the market by importing cheaper varieties from South Asia and Korea in bulk. There is a huge opportunity for domestic manufacture of CFL Variety at a lower cost. The company is in process of importing the Technologies for manufacture of CFL Variety here. But there is a threat of un - even competition from the dumping by cheaper varieties by foreign manufacturers from the East.

**OUTLOOK:**

The Company has finally come out the red and is now endeavouring to turn the table. Your Directors foresee brighter days ahead. The new generation is committed to grow progressively always in tune with the country's growth ahead.

**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 Countires, 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.

The Company has 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.



**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 reviews and approves 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 six (6) Board Meetings held on April 7, April 28, July 28, August 27, October 27, 2008 and January 24, 2009. The last Annual General Meeting was held on September 26, 2008. The Names, their Categories their attendance in Meetings and other relevant particulars of the Directors are given in the undernoted table.

<b>Name of Directors</b>	<b>No. of Meeting Attended</b>	<b>Attendance in last AGM</b>
Sri M G Maheshwari	6	Yes
Sri N Toshniwal	6	Yes
Sri B R Kabra	6	Yes
Sri P Saha	6	Yes
Sri A K Guha	6	Yes
Sri R K Chandak	6	Yes
Sri V K Sharma	6	Yes