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DHANASHREE ELECTRONICS LTD.

DHANASHREE
ELECTRONICS LTD.

Director

16TH ANNUAL REPORT 2002 - 2003

Plot No. : XI-16, Block - EP & GP, Sector - V, Salt Lake City, Kolkata - 700 091.

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

NOTICE

Notice is hereby given that the 16th Annual General Meeting of the shareholders of M/s. Dhanashree Electronics Limited will be held at the registered office of the company at XI-16, Block EP & GP, Sector V, Salt Lake City, Kolkata-700 091 on Monday the 15th December 2003 at 10.30 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, 2003 together with the Profit & Loss Accounts 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 Madan Gopal Maheshwari who retires by rotation at this meeting and being eligible, offers himself for re-appointment.
- 3) To appoint a Director in place of Sri Surya 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 Chand Prakash Toshniwal 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.

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:

- 6) "RESOLVED THAT Sri Ram Karan Gupta who has given his consent, be and is hereby appointed as Director of the company whose period in office shall be subject to determination by retirement by rotation."
- 7) "RESOLVED THAT Sri Ajoy Kumar Guha who has given his consent, be and is hereby appointed as Director of the company whose period in office shall be subject to determination by retirement by rotation."
- 8) "RESOLVED THAT Sri Rajesh Kumar Chandak who has given his consent, be and is hereby appointed as Director of the company whose period in office shall be subject to determination by retirement by rotation."

Registered Office

Plot No. XI-16 Block EP & GP
Sector V, Salt Lake City
Kolkata-700 091

By order of the Board

Nitesh Toshniwal
(Managing Director)

Dated the 3rd November 2003

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) An explanatory statement pursuant to sec. 173(2) of the companies act 1956 is annexed hereto.
- 3) The register of members and the share transfer books of the company shall remain closed from 02/12/2003 to 03/12/2003, both days inclusive.

- 4) 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.
- 5) Members & proxyholders are requested to bring with them the attendance slip duly signed for attending the meeting.
- 6) 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.

EXPLANATORY STATEMENT PURSUANT TO SEC. 173(2) OF THE COMPANIES ACT 1956

Item No. 6, 7 & 8: Sri Ram Karan Gupta, Sri Ajoy Kumar Guha & Sri Rajesh Kumar Chandak having given their respective consents in writing were appointed as Additional Directors of the Company during the year & their terms of office are due to expire at the forthcoming Annual General Meeting.

Meantime the Company has received 3 (three) notices under sec. 257 of the Companies Act 1956 from 3 members indicating their desire to move the resolutions set out under items nos. 6, 7 & 8 of the notice respectively for appointment of Sri Ram Karan Gupta, Sri Ajoy Kumar Guha & Sri Rajesh Kumar Chandak as Directors of the Company.

Sri Ram Karan Gupta, Sri Ajoy Kumar Guha & Sri Rajesh Kumar Chandak are energetic professionals with wide experience & exposures in Business Administration, Accounts & Law and during the tenure of their office they were found to take active interest in the affairs of the company and your directors feel that their appointment as rotational directors would be beneficial in the interest of the company. Your Directors recommend adoption of the resolutions set out under items nos. 6, 7 & 8.



FORM OF PROXY
DHANASHREE ELECTRONICS LIMITED
 REGISTERED OFFICE: Plot No. XI-16, Block EP & GP
 Sector V, Salt Lake City, Kolkata-700091

I/We _____ of
 _____ in the District of
 _____ being a member/members
 of the above named Company, hereby appoint Shri _____
 _____ of _____
 _____ in the District of _____
 _____ or failing him Shri _____
 _____ of _____
 _____ in the District of _____
 _____ as my/our proxy to vote for me/us on my/our behalf at the 16th Annual General Meeting of
 the Company to be held on 15th December 2003 and at any adjournment thereof in favour of/against the
 resolution(s).

Signed this _____ day of _____ 2003

Affx Revenue Stamp

- Strike out whichever is not desired.
 Unless otherwise instructed the proxy will vote as he thinks fit.
 The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for
 holding the meeting

ATTENDANCE SLIP

DHANASHREE ELECTONICS LIMITED
 REGISTERED OFFICE: Plot No. XI-16, Block EP & GP
 Sector V, Salt Lake City, Calcutta-700 091

Folio No. :

Name :

Address :

I hereby record my presence at the 16th Annual General Meeting of the Company at the Regd. Office of the
 Company at Plot No. XI-16, Block EP & GP , Sector V, Salt Lake City, Kolkata-700 091 on Monday the 15th
 December, 2003 at 10.30 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTE:

1. Shareholder/proxyholder wishing to attend the Meeting must bring the attendance slip to the meeting and
 hand it over at the entrance duly signed.
2. Shareholder/Proxy holder desiring to attend the meeting should bring his/her copy of the Annual Report
 for reference at the meeting.

BOARD OF DIRECTORS

Mr. M. G. Maheshwari,	Chairman
Mr. Nitesh Toshniwal,	Managing Director
Mr. S. P. Toshniwal	
Mr. S. K. Toshniwal	
Mr. C. P. Toshniwal	
Mr. M. L. Jhanwar	(Casual Director)
Mr. B. R. Kabra	(Casual Director)
Mr. P. Saha	(Casual Director)
Mr. V. K. Sharma	(Casual Director)
Mr. R. K. Gupta	(Additional Director)
Mr. A. K. Guha	(Additional Director)
Mr. R. K. Chandak	(Additional Director)
Mr. S. M. Jain	(Since vacated)
Mr. A. K. Jain	(Since vacated)
Mr. B. K. Jain	(Since vacated)
Mr. Abhishek Toshniwal	(Since vacated)

BANKERS

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

AUDITORS

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

REGISTRAR & SHARE TRANSFER AGENT

M/s. Maheshwari Datamtics 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 16th Annual Report and the Audited Statements of Accounts for the year ended on 31st March, 2003.

FINANCIAL RESULTS:

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

	(Rs. in Lacs)	
	For the year ended 31.03.2003	Previous year ended 31.03.2002
Gross Turnover	168.53	193.31
Less: Expenses	136.20	178.89
Gross Profit (Before Dep., Int. & Tax)	32.33	14.42
Less: Depreciation	11.99	11.38
Less: Interest	28.62	11.47
Net Profit (Before Tax)	(8.28)	(8.43)
Less: Provision for Tax	-	-
Less: Provision for Deferred Tax	-	-
Net (Loss)	(8.28)	(8.43)
Balance B/F	(76.57)	(68.14)
Balance (loss) carried to Balance Sheet	(84.85)	(76.57)

The gross turnover was reduced by 13% compared to previous year, yet the gross profit before Depreciation and Interest could be increased by 124% 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 preparation of the Annual Accounts of the Company, the applicable Accounting Standards prescribed by ICAI have been strictly followed;
- (ii) that your Directors have selected such Accounting Policies as detailed in Schedule 13 to the Annual Accounts and applied them consistently and made judgements and estimates that are reasonable and prudent to give a true & 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 proper and sufficient care has been taken 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:

During the year Sri S. M. Jain, Sri Ajay Kumar Jain, Sri Birendra Kumar Jain and Sri Abhishek Toshniwal Directors of the Company vacated their office by default u/s 283(1)(g) of the Companies Act, 1956 and the casual vacancies created by such vacation of office have been filled up by induction of Sri M. L. Jhanwar, Sri B. K. Kabra, Sri P. Saha and Sri V. K. Sharma respectively.

Sri M. L. Jhanwar aged about 49 years is a Businessman & has wide experience in the fields of Business and Administration.

Sri B. R. Kabra aged about 47 years is a Businessman & Accounts professional having wide experience of over 20 years.

Sri P. Saha aged about 30 years is a professional in the field of Management having extensive knowledge and exposures in Corporate Administration.

Sri V. K. Sharma, aged about 39 years is a commerce graduate having wide experience in the field of Business and Marketing.

Sri M. G. Maheshwari, Sri S. P. Toshniwal and Sri S. K. Toshniwal Directors of the Company retire by rotation at the forthcoming Annual General meeting and being eligible, offer themselves for re-appointment.

Sri M. G. Maheshwari is a Promoter Director of the Company. He is aged about 53 years and a commerce graduate from the University of Calcutta. He is having more than 38 years of business experience in the field of Lighting Industry in India as the largest Stockist and Dealer of Philips products in India. He has been the main stay of the Board of Directors since its inception and his re-appointment is absolutely essential for the interest of the Company and its Shareholders.

Sri S. P. Toshniwal aged about 50 years is a commerce graduate and one of the promoter Directors of the Company. From the inception of the Company he has been ably spearheaded the management as Managing Director of the Company and his re-appointment will be absolutely beneficial for the interest of the Company.

Sri S. K. Toshniwal aged about 46 years is a commerce graduate and one of the Promoter Directors of the Company. Sri Toshniwal is in charge of the Company's Finance and Production and his re-appointment will be beneficial for the interest of the Company and its Shareholders.

AUDITORS

M/s. D. R. Jain & Co. Chartered Accountants, the Auditor of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

REPORT OF THE AUDITORS

The Report of the Auditors when read with the Notes on Accounts appearing in the Schedule No. 12 forming part of the statements of Accounts is self-explanatory and do not call for further comments.

PARTICULARS OF EMPLOYEES

None of the employees was in receipt of remuneration in excess of the ceiling laid down u/s 217 (2A) of the Act read with the Companies (Particulars of Employees) Rules 1975 and therefore the provisions of sec. 217(2A) of the Act is not attracted.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.

A statement giving particulars of conservation of energy, Technology Absorption, etc. as required u/s 217 (1)(e) of the Act, read with the Companies (disclosure of Particulars in the Report of the Board of directors, Rule 1988, is annexed hereto and marked as Annexure 'C'.

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 wish to extend their grateful thanks and gratitude to various Departments of the Central and State Governments and Bankers for their continued co-operation and support. The Board also gratefully acknowledges the support and confidence reposed by the shareholders of the Company.

Place :Kolkata

Date :22.10.2003

For and on behalf of the Board
M. G. Maheshwari
N. Toshniwal
Director/Managing Director

ANNEXURE 'A'**MANAGEMENT DISCUSSION & ANALYSIS:****COMPANY PROFILE**

The Company was promoted by persons having more than 20 years active exposures in the marketing of Lighting Products. From a humble manufacture of 'Rashmi' Brand Lighting items, the Company has ventured in a very ambitious project of manufacturing filaments for Luminoscents. The Company has entered into an agreement with M/s Tungsram Company Limited of Hungary for import of most modern Technologies for manufacture of GLS & FTL filaments and Molybdenum support wires, which has a comandable demand in the country and the same is expected to increase with the increased Industrialisation and Infrastructural development in the country.

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 about 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.

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 indogenous Industry & with Import of necessary Technical know-how, the medium sized producers have an wide scope and opportunities to grow.

The implementation of WTO agreements followed by more and more relaxations in the Government Imports policy and reductions in Import duties will open up stiff competition from foreign Manufacturers.

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) fluctuations in Budget allocations for Infrastrucure Developments affecting the growth in the demand for Lighting products ; and
- (ii) Intensity of price war imported by new entrents from other Asian Countiies, specially China and Korea.