

TRISHAKTI ELECTRONICS & INDUSTRIES LIMITED

22nd
Annual Report
2006-2007

TRISHAKTI ELECTRONICS & INDUSTRIES LIMITED

BOARD OF DIRECTORS

SAGARMAL JHANWAR
RAMESH JHANWAR
SURESH JHANWAR
ARCHAN SETH
TARUN DAGA
VIKASH SHRAFF

AUDITORS

M/S. DANGI JAIN & CO.
2, INDIA EXCHANGE PLACE,
KOLKATA - 700 001

BANKERS

ORIENTAL BANK OF COMMERCE
STATE BANK OF INDIA
INDIAN OVERSEAS BANK
ICICI BANK

SHARE REGISTRARS

M/S. M.C.S. LTD.
77/2A, HAZRA ROAD,
KOLKATA - 700 029

REGISTERED OFFICE

2, CLIVE GHAT STREET,
ROOM NO. 8 & 9, 2ND FLOOR,
KOLKATA - 700 001

TRISHAKTI ELECTRONICS & INDUSTRIES LIMITED

N O T I C E

NOTICE is hereby given that the 22nd Annual General Meeting of the Company will be held at The Spring Club ,5 J.B.S. Halden Avenue(formerly E.M. Bypass) , Calcutta -700105, on Friday, the 28th day of September, 2007 at 12 noon to transact the following business:

1. To receive and adopt Directors' Report and Auditors' Report and the Audited Balance Sheet as at 31st March, 2007 and Profit & Loss Account for the year ended on that date.
2. To appoint a Director in place of Sri Ramesh Jhanwar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Suresh Jhanwar who retires by rotation and being eligible offers himself for re-appointment
4. To confirm the declaration and payment of dividend on the Equity Shares.
5. To appoint Messrs. Dangi Jain & Co., Chartered Accountants, the retiring auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, for the financial year 2007-2008 on such remuneration plus service tax as may be mutually agreed upon between the Board of Directors and the Auditor in connection with the work of Audit to be carried out by them.

Registered Office,

2, Clive Ghat Street,
Room No. 8 & 9, 2nd Floor,
Kolkata - 700 001.
Dated: 20th day of July, 2007.

By Order of the Board of Directors

(RAMESH JHANWAR)
Director

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be a shareholder. The proxies should, however, be deposited

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at the Registered Office of the company not later than 48 hours before the commencement of the meeting.

2. Members are requested to immediately notify any change in their address to the Registrar Share Transfer agent of the Company M/s. MCS Limited, 77/2A, Hazra Road, Kolkata – 700 025 in all correspondence with the Company, members are requested to quote their Account / Folio Numbers.
3. The Register of Members and share Transfer Books of Company will be closed from 22nd September, 2007 to 28th September, 2007 (both days inclusive).
4. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID No. and those who hold shares in physical form are requested to write their folio No. in the attendance slip for attending the meeting.
5. All documents referred to in the accompanying Notice are open for inspection at the registered office of the Company on all working days except Saturday & Sunday between 11.00 a.m. to 1.00 p.m. up to the date of the Annual General Meeting.
6. Shareholders are requested to notify their Bank particulars giving the name of the Bank and the branch and the nature of account and also any change of address to the Company's Registrar and Share Transfer Agent, M/s. MCS Ltd. Shareholders are hereby intimated that under instructions from the Securities and Exchange Board of India, furnishing of bank particulars by the shareholders has become mandatory.
7. Shareholders are hereby informed that the Bank particulars given by them at the time of opening a depository account will be used by the Company for printing on the dividend warrants. This would ensure that the dividend warrants cannot be deposited in any account other than the one specified on the warrants. For the safety and interest of the shareholders, it is important that bank account details are correctly provided to the depository participants. The bank mandate for shares held in physical form will not be applied for shares held in electronic form.
8. Section 109 A of the Companies Act, 1956 extends the nomination facility to individual shareholders of the Company. Therefore, the shareholders holding share certificates in physical form and willing to avail this facility may make nomination in Form 2B, which may be sent on request. However, in case of demat holdings, the shareholders should approach to their respective depository participants for making nominations.
9. Members, who have multiple accounts in identical names or joint names in same order are requested to intimate M/s. MCS Ltd., the Ledger Folios of such accounts to enable the Company to consolidate all such share holdings into one account.

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Information required to be furnished under the listing Agreement:

As required under the listing Agreement, the particulars of Directors proposed to be appointed / re-appointed are given below,

- | | | |
|-------------------------------------|---|---|
| 1. Name | : | Sri Ramesh Jhanwar. |
| Age | : | 34 years. |
| Qualification | : | B. Com. |
| Experience | | He has over 17 years of experience in Non Banking Financial Company & 9 years experience in Crane Chartered Hiring Business and 8 years experience in Oilfield & Industries Supply. He also has rich experience in Financial & Industrial Sector. He is also experienced in Stock and Money Market. |
| Date of Appointment | : | 16.09.1997 |
| Other company's Directorship | : | Trishakti Electronics & Industries Limited.
S. M. Corporate Financial Consultants Pvt. Ltd.
Sagarmal Ramesh Kumar Pvt. Ltd.
RVS Shares & Stock Broking Services Pvt. Ltd. |
| | | |
| 2. Name | : | Sri Suresh Jhanwar. |
| Age | : | 31 years. |
| Qualification | : | B. Com. |
| Experience | | He has over 12 years of experience in Non Banking Financial Company & 9 years experience in experience in Crane Chartered Hiring Business & 8 years experience in Oilfield & Industrial Sector. |
| Date of Appointment | : | 26.05.1997. |
| Other company's Directorship | : | Trishakti Electronics & Industries Limited.
S. M. Corporate Financial Consultants Pvt. Ltd.
Sagarmal Suresh Kumar Pvt. Ltd.
RVS Shares & Stock Broking Services Pvt. Ltd. |

TRISHAKTI ELECTRONICS & INDUSTRIES LIMITED

DIRECTORS' REPORT

TO THE SHAREHOLDERS:

Your Directors submit herewith their 22nd Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2007.

FINANCIAL RESULTS:

The year's working results after meeting all expenses of operation & management are set out as below:-

	This Year		Previous Year	
	Rs.	P.	Rs.	P.
Profit/Loss for the year	30,79,411.07		57,92,349.39	
Provision for				
Income Tax	(33,00,000.00)		(11,81,000.00)	
Fringe Benefit Tax	(2,70,000.00)		(1,55,000.00)	
Deferred Tax	24,35,000.00		6,67,000.00	
Profit/Loss after Taxation	19,44,411.07		51,23,349.39	
Transfer to Statutory Reserve Fund	(3,90,000.00)		(10,25,000.00)	
Proposed Dividend	(29,70,600.00)		(29,70,600.00)	
Tax on Proposed Dividend	(5,04,853.00)		(4,16,627.00)	
Balance brought forward from previous year	1,026,7008.73		95,55,886.34	
Balance Carried to Balance Sheet:	83,45,966.80		1,026,7008.73	

OPERATION:

During the year the interest income Rs.184514/- (Previous Year Rs. 99,650/-), Crane Hire Charges Rs.2,50,53,616.18 (Previous Year Rs. 2,88,72,393.89), Profit on Sale of Investment Rs. Nil (Previous Year Rs. 29,82,371.15), Profit on Sale of Fixed Assets Rs. 9542649/- (Previous Year Rs. Nil) and other income was Rs.10,13,620.50 (Previous Year Rs. 12,86,532.50/-). The income from Crane hiring charges during the financial year 2006-2007 was lower as compared to the previous financial year due to the Crane de-hire from ONGC Project and further joint the Reliance Jamnagar Refinery Project. Company expects that there will be good opportunities for crane hire business.

The Company Expects good business as a **commission agent** for M/S Lioahe Petroleum Exploration Bureau, China (Geophysical Seismic Data Acquisition Co.) for bidding ONGC Global tender and also Oil India Ltd., (Rajasthan Project).

One more Global tender for other Project of ONGC, Nagaland will be bided by Chinese company where **our company** will be act as agent.

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Further the other Chinese company is planning to bid Seismic Data Acquisition tender for ONGC, Cambay Project in Gujarat also in the near future where **our company** will be acting as a commission agent.

Company has already acquired one Acre of Land at in I.T. Park, Special Economic Zone, Bantala, Kolkata for setting up a Seismic Data Processing and Interpretation center in collaboration with foreign company, still under negotiation.

EMPLOYEES:

None of the employees are covered by the provisions contained in section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and therefore this information has not been furnished as a part of this report.

DIRECTORS RESPONSIBILITIES STATEMENT:

Pursuant to section 217(2AA) of Companies Act, 1956, the directors confirm the following in respect of the audited annual accounts for the year ended 31st March, 2007 :

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- ii) That the directors have selected such accounting policies and applied them consistently and made Judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2007 and the **Profit** of the company for the period ended 31st March, 2007.
- iii) That the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- iv) That the directors had prepared the annual accounts on a going concern basis.

DIRECTORS:

In accordance with the Articles of Association of the company Sri Ramesh Jhanwar retire at the ensuing Annual General Meeting and being eligible offers himself for re-election.

In accordance with the Articles of Association of the company Sri Suresh Jhanwar retire at the ensuing Annual General Meeting and being eligible offers himself for re-election.

DIVIDEND:

For the year under review, the Directors have declared Dividend of Rs.1/- per share, on 20th July, 2007 on the Equity Shares of the company, aggregating of Rs.29,70,600/-, Dividend Tax Rs. 5,04,853/-. Appropriate Resolution in this regard would be placed before the shareholders in the ensuing Annual General Meeting and proposed Dividend as approved at the AGM ,will be paid on or after 28th September ,2007

CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange we have complied with the recommendation of the committee on corporate governance constituted by the Securities and Exchange Board of India (SEBI). For fiscal year 2007, the compliance report is provided in the Corporate Governance Report section of this annual report. The company secretary's Certificate on compliance with the mandatory recommendations of the committee in Annexed to this report.

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We have documented our internal policies corporate governance. In line with the committee's recommendations, the management's discussion and analysis of the financial position of the company is provided in this Annual Report and is incorporated hereby reference. We continue our practice of providing a report on our compliance with corporate governance for the benefit our shareholders.

CODE OF CONDUCT

The Board has laid down a code of conduct for all Board Members and Senior Management of the company. The code of conduct has been posted on the Company's Website.

LISTING AT STOCK EXCHANGE

The Equity shares of the company continue to be listed on Bombay Stock Exchange Limited, The Calcutta stock exchange Association Ltd. The annual listing fees for the year 2007-08 have been paid to those stock exchanges.

DEPOSITARY

The Equity shares of the Company is trading permitted only in dematerialized form, the company has made the requisite arrangement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable investors to hold shares in dematerialized form. The annual custodial fees for the year 2007-08 have been paid to those Depositories

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

Information in accordance with the provision of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo have been given in the annexure.

AUDITORS' OBSERVATION:

Auditors' observations are self explanatory and need not required any further clarifications.

AUDITORS:

The Auditors, M/S. Dangi Jain & Company Chartered Accountants, retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointment.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their appreciation for the continued support and co-operation of the shareholders, Banks various Regulatory and Government authorities and for the valuable contributions made by employees of the company.

REGISTERED OFFICE

2, Clive Ghat Street
Room No. 8 & 9, 2nd Floor,
Kolkata - 700001
Dated: 20th day of July, 2007.

RAMESH JHANWAR
Director

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Annexure to Directors' Report

Particulars required under the Companies (Disclosures in the Board of Directors) Rules 1988.

	2006-2007 -----	2005-2006 -----
(1) Conservation of Energy Technology absorption.	Not applicable	Not applicable
(2) Foreign Exchange Earnings & out go:		
Activities relating to exports, initiatives taken to increase the exports, development of new export market for trading goods and export plan.	Export plan and new activities are under constant study.	Export plan and new activities are under constant study
(3) Total Foreign exchange used and earned -		
(i) Foreign exchange spent :		
(a) Travelling Expenses	12,13,519	6,96,720.00
(b) Cost of spare parts	2,76,262	52,653.00
(c) Business Promotion	92,900	Nil
(c) Fixed Assets	Nil	Nil
(ii) Foreign exchange earned :	Nil	Nil

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MANAGEMENT DISCUSSION & ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENTS :

This Indian economy grew by 11.3% during the fiscal year ended 31st March, 2007 compared to 8.2% in the previous year. Buoyed by the surge in demand, the Industry continued its good performance during the year 2006-2007 through on a cumulative basis. The Indian Industry, is in line with global trends, is witnessing a resurgent phase of modernization, expansion and consolidation, mainly through mergers and acquisitions. The achievement will open tremendous approach to the Crane Industry.

The price of the Crane hiring is market driven. The company continuously makes market efforts for reducing the Cost of the maintenance of Crane on the one hand and improving the capacity utilization on the other hand to sustain its margin. The Principal cost components consists of labour charges and maintenance of Crane. The Company is mainly engaged in the business of supplying Crane to the Consumers for drilling the Oil and Gas. The company has built its reputation based on decades of achievements in providing the crane services to the Industry at a large.

OPPORTUNITIES & THREAT :

Infrastructure development is being given high importance by the Government. This has led to higher demand for the Cranes leading to the Capacity enhancement in the hiring industry.

While in the coming years the demand for Cranes are expected to rise in the domestic market, the arrival of the new players is going to divide the market significantly. At the same time increase demand will throw up opportunity to increase the domestic market share. Being an established market leader, IT will enable us to have a larger share of the new market. We would however need to offer Cranes to the Industry. Our current efforts in establishing some new Cranes in the existing market will surely be of great advantages. Your Company also expects a good business as a Commission agents of one of the Globalised Company of China for bidding ONGC Global Tender and also Oil India Limited (Rajasthan Project). One more Global tender for other project of ONGC, Nagaland will be bided by Chinese Company where our company will be act as agent.

The Cost of Spare Part costs, Fuel Cost & Repair and Maintenance are the three major costs in the Crane hiring industry. The Price of Fuel & Spare Parts are often increased by the suppliers, which adversely affects the company's margins. Therefore the company has been exploring various avenues to lower the costs on this account.

Domestic suppliers are expected to increase in the year to come. The threat perception for the Company includes slowing down the world economy, high input costs specially of the maintenance of the crane and the labour costs, increasing competitions from the new entrants, change on the policy of the Government and low capacity utilization along with the product obsolescence due to emergence of the new technology of cranes. Risk Management policies are also being formulated as per the need of the Industry.