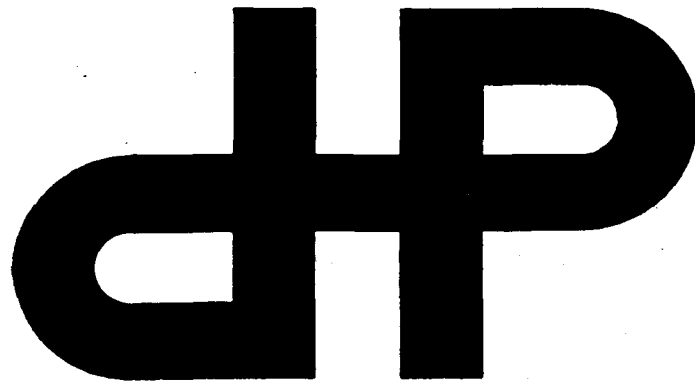


DHP INDIA LIMITED

[Company Identification Number (CIN) : L65921WB1991PLC051555]



**EIGHTEENTH
ANNUAL REPORT
AND ACCOUNTS
2008-2009**

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BOARD OF DIRECTORS :

ASHEESH DABRIWAL	: Managing Director & Chief Executive Officer (DIN – 00044783)
JANAK BHARDWAJ	: Executive Director & Chief Operating Officer (DIN – 00047641)
ANJUM DHANDHANIA	: Non-Executive Director (DIN – 00058506)
BUDDHADEB BASU	: Non-Executive & Independent Director (DIN – 00061771)
RABINDRANATH DAS	: Non-Executive & Independent Director (DIN – 00044336)
DR. SUBRATA HALDAR	: Non-Executive & Independent Director (DIN – 00089655)

COMMITTEES OF THE BOARD :

Audit Committee :

BUDDHADEB BASU	: Chairman
RABINDRANATH DAS	: Member
DR. SUBRATA HALDAR	: Member
ASHOK KUMAR SINGH	: C.F.O. as Permanent invitee

Remuneration / Management Committee :

ANJUM DHANDHANIA	: Chairman
BUDDHADEB BASU	: Member
ASHEESH DABRIWAL	: Member

Shareholders / Investor Grievance Committee :

BUDDHADEB BASU	: Chairman
ANJUM DHANDHANIA	: Member
ASHEESH DABRIWAL	: Member

KEY MANAGEMENT :

ASHOK KUMAR SINGH	: Chief Financial Officer (C.F.O.)
ADINATH BANERJEE	: Company Secretary-cum-Compliance Officer
BANKER	: ABN AMRO BANK N.V.

AUDITORS :

Statutory & Tax Auditors	: M/s. NAVIN NAYAR & COMPANY, Chartered Accountants, 4E, Jain Centre, 34A, Metcalfe Street, Kolkata – 700 013.
Internal Auditors	: M/s. G. L. SINGHAL & CO., Chartered Accountants, 23A, Netaji Subhas Road, 4 th Floor, Room No. 7A, Kolkata – 700 001.
Secretarial Auditors	: M/s. SUSHILTIWARI & ASSOCIATES, Company Secretaries, 31A, S. P. Mukherjee Road, Kolkata – 700 025.

REGISTRARS & SHARETRANSFER AGENTS :

M/S. NICHE TECHNOLOGIES PRIVATE LIMITED
D-511, Bagree Market, 71, Biplabi Rash Behari Bose Road,
Kolkata – 700 001.

SHARES LISTED WITH :

THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD. [Securities Code No. 14058]
BOMBAY STOCK EXCHANGE LTD. [Securities Code No. 531306]

REGISTERED OFFICE :

10, Middleton Row, Kolkata - 700 071, WEST BENGAL

FACTORY :

“Dhulagarh Industrial Park” P.O. :- Kanduah, P. S. - Sankrail,
N. H. – 6, Howrah – 711 302, West Bengal.



NOTICE

NOTICE IS HEREBY GIVEN THAT the **Eighteenth Annual General Meeting** of the Members of DHP INDIA LIMITED will be held at its Registered Office at 10, Middleton Row, Kolkata - 700071 on Monday the 31st August, 2009 at 11.00 A.M. for transaction of the following business :-

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2009, the Profit and Loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint Directors in place of Sri Buddhadeb Basu and Rabindrantath Das, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

Registered Office :

10, Middleton Row,
Kolkata – 700 071.

Dated : 29th June, 2009

By Order of the Board of Directors

ADINATH BANERJEE

Company Secretary-cum-Compliance Officer

NOTES :

- 1) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 24th August, 2009 to Monday, the 31st August, 2009 (both days inclusive). Share transfers received in order by the Company at its Registered Office at 10, Middleton Row, Kolkata - 700 071 or at its Registrar & Share Transfer Agents Office M/s. Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700 001 by the close of business on Saturday, the 22nd August, 2009.
- 2) A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at its registered Office at 10, Middleton Row, Kolkata - 700 071, not less than forty-eight hours before the Annual General Meeting.
- 3) Members are requested to bring their copies of the Reports and Accounts to the Meeting. Members seeking any information or clarification on the Accounts are requested to send, in writing, queries to the Company, at least one week before the date of the meeting. Replies will be provided, in respect of such written queries, only at the meeting.
- 4) Members/Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 5) In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.

- 7) Members holding shares in physical form are requested to notify any change in their address and particulars of their bank account immediately to the Company at its Registered office or its Registrar & Share Transfer Agents Office at M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700 001. The following bank particulars are required :-
- a) Name of First/Sole Shareholder and their Folio Number.
 - b) Name of Bank & their complete address of Branch
 - c) Account Type, whether Savings or Current account and their account number allotted by Bank.
- 8) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company as per applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable on shares held in electronic form. Members may, therefore, give instruction regarding bank account to their Depository participants.
- 9) At present the Company's equity shares are listed on the Stock Exchanges at Kolkata and Mumbai and listing fees for the current financial year 2009-2010 have been paid to all the aforesaid Stock Exchanges. Members are informed that the scripts of the Company have been activated both in Central Depositories Services Limited (CDSL) and National Securities & Depository Limited (NSDL) and may be dematerialised under the ISIN – INE 590D 01016.
- 10) All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
- 11) Consequent upon the introduction of Section 109A & 109B of the Companies act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B to the Registrar & Share Transfer Agents M/s. Niche Technologies Pvt. Ltd.
- 12) Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2002 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the Investor Education and Protection Fund (IEP Fund) established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred the unclaimed dividend for the year ended 31st March, 2001 to the Investor Education and Protection Fund (IEP Fund).

Information in respect of such unclaimed dividend when due for transfer to the said Fund is given below:-

Serial No.	Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
1.	31.03.2002	31.08.2002	30.08.2009	29.09.2009
2.	31.03.2003	30.08.2003	29.08.2010	28.09.2010
3.	31.03.2004	30.08.2004	29.08.2011	28.09.2011
4.	31.03.2005	31.08.2005	30.08.2012	29.09.2012
5.	31.03.2006	31.08.2006	30.08.2013	29.09.2013

Shareholders are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.

13. Shareholders may, kindly note that no gift/coupon will be distributed at the Annual General Meeting.

**INFORMATION REQUIRED TO BE FURNISHED UNDER CLAUSE 49 OF THE LISTING AGREEMENT
IN RESPECT OF DIRECTORS SEEKING RE-APPOINTMENT**

Name of the Director	Sri Buddhadeb Basu	Sri Rabindranath Das
Director Identification Number	(DIN – 00061771)	(DIN – 00044336)
Date of Birth	23.06.1967	02.03.1933
Date of First Appointment	31.01.2003	17.05.2003
Educational Qualification	B. Com.	Graduate
Expertise in specific functional areas	Business	Retired
Chairmanship/Membership of Committees in this Company	Member of the Remuneration /Management Committee, and Chairman of the Audit Committee and Shareholders/ Investor Grievance Committee	Member of the Audit Committee of this Company
Present Status of directorship in this Company	Non-Promoter, Non-Executive, Lead Independent Director	Non-Promoter, Non-Executive, Independent Director
Directorship in other Public Limited Companies	None	None
Chairmanship/Membership of Committees in other Public Limited Companies	None	None
Shareholding as on 31st March, 2009	200 Shares [0.0066%]	Nil

DIRECTORS' REPORT**TO THE MEMBERS**

Your Directors have pleasure in presenting their **Eighteenth** Annual Report together with the Audited Statement of Accounts and the Auditor's Report of your Company for the Financial Year ended 31st March, 2009.

FINANCIAL RESULTS :

The performance of the Company for the financial year ended March 31, 2009 is summarised below :-

	(Rs. in Lacs)	
Particulars	Year ended 31.03.2009	Year ended 31.03.2008
Net of Export Turnover of Sales	1183.73	1108.99
Net of Domestic Turnover of Sales	69.80	99.96
Net of Total Turnover of Sales	1253.53	1208.95
Total Income	1285.64	1218.71
Profit Before Interest, Depreciation, Provision for Investment & Tax	222.58	191.50
Less : Interest Cost	(-) 11.31	(-) 0.67
Less : Depreciation	(-) 74.78	(-) 75.60
Less : Provision for diminution of Investments	(-) 20.28	Nil
Profit Before Tax	116.21	115.23
Less : Provision for Taxation : (a) Income Tax	(-) 48.11	(-) 45.02
(b) Fringe Benefit Tax	(-) 2.27	(-) 2.03
(c) Adj. of Deferred Tax Assets/Liabilities (-)	(-) 0.39	(+) 4.00
Profit After Tax	65.44	72.18
Add : Profit brought forward from previous year	2.07	0.91
Add/Less (-): Net of Income Less Taxes related to earlier year	(-) 0.01	(-) 0.02
Profit Available for Appropriation	67.50	73.07
Appropriations		
Transfer to General Reserve	66.75	71.00
Surplus Carried to Balance Sheet	0.75	2.07
Net Worth (Capital employed at the year end)	843.75	767.07
Book Value of Shares at the year end (In Rs.)	28.12	25.57

OPERATIONS

Your Company's operation during the year was satisfactory. During the year the Company manufactured 14,56,108 pcs of Domestic Pressure Regulators for LPG Cylinders & Accessories and Parts etc. This was higher by 6.78% as compared to the preceeding year.

FUTURE PROSPECTS

During the year under review the world has seen a major financial meltdown and consequent fall in demand for most products. Inspite of this, your company through relentless marketing efforts and continuous addition of new products, improvement in technology was able to post annual performance mentioned above. Your directors are of the opinion that with an attention to serving the needs of customers and further innovation and improvement in technology and cost cutting efforts, the company is expected to continue to do well and improve further in the coming years.

DIVIDEND AND RESERVES

In view of the business strategies, there being a need to conserve resource, no dividend is recommended during the year under review. The Reserves & Surplus thereafter will stand at Rs.543.75 lacs at a Book value of Rs.28.12 per Equity Share.

PUBLIC DEPOSITS

The Company did not invite or accept any deposits from public under Section 58A of the Companies Act, 1956 and the Rules made there under.

COMPLIANCE

The Company has not defaulted by SEBI / Depositories / Stock Exchanges / Any Financial Institution / Any Government & Semi-Government authorities for any compliances.

DIRECTORS

Sri Buddhadeb Basu & Sri Rabindranath Das, Directors of the Company, retire from office by rotation in accordance with the requirements of the Companies Act, 1956, and the provision of Article 126 of the Articles of Association of the company and being eligible offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed;

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2009 the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as 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 the year under review;
- (iii) that the directors had taken proper and sufficient care for the 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;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March, 2009 on a 'going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars in respect of the conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956 are given in a separate Annexure –I attached hereto and form part of the Report.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed. The Company has implemented several best corporate governance practices as prevalent globally.

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreements forms part of the Annual Report and which has been set out in Annexure – II.

The requisite Certificate from the Statutory Auditors of the Company, M/s. Navin Nayar & Company, Chartered Accountants, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is presented in a separate section forming part of the Annual Report marked Annexure – III.

AUDITORS AND AUDITORS' REPORT

M/s. Navin Nayar & Company, Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the EIGHTEENTH ANNUAL GENERAL MEETING and are recommended for

re-appointment. As required under section 224 of the Companies Act, 1956, the Company has obtained a written certificate from them to the effect that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section.

The observations made in the Auditors' Report to the Members of the Company have been dealt with in the Notes to the Profit & Loss Account and the Balance Sheet in Schedule 20 of the Accounts. These are self explanatory and do not call for further comments.

SECRETARIAL AUDIT REPORT

Your Company voluntarily appointed M/s. Sushil Tiwari & Associates, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2009. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached to this Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, The Companies (Amendment) Act, 2006, Depositories Act, 1996, Listing Agreement with the Stock Exchanges, Securities Contract (Regulation) Act, 1956 and all the Regulations of SEBI as applicable to the Company, including SEBI (Disclosure and Investor Protection) Guidelines, 2000, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulations, 1992.

LISTING OF EQUITY SHARES

The Equity Shares of the Company are listed and traded on The Calcutta Stock Exchange Association Ltd., Kolkata {Securities Code No. 14058} and Bombay Stock Exchange Ltd. (BSE), Mumbai {Securities Code No.531306} and the Listing Fees for the Financial Year 2009-10 have already been paid.

DEPOSITORY SYSTEM

Trading in equity shares of your Company in the dematerialised form is compulsory for all shareholders in terms of notification issued by the Securities and Exchange Board of India (SEBI). Your Company has achieved a high level of dematerialisation with about 96.56% of total number of equity shares being held in electronic mode with NSDL and CDSL. The custodian fees for the Financial Year 2009-10 have already been paid.

TRANSFER OF UNPAID/UNCLAIMED DIVIDEND AMOUNT TO "INVESTOR EDUCATION AND PROTECTION FUND"

Pursuant to the provisions of Section 205(A)(5) of the Companies Act, 1956, the declared dividends on equity shares which remained unclaimed for a period of 7 years have been transferred by the Company to the Investor Education and Protection fund (IEPF) established by the Central Government pursuant to Section 205C of the said Act.

PERSONNEL

Particulars of employees pursuant to the provision of Section 217(2A) of the Companies Act, 1956 are NIL.

PROMOTER GROUP COMPANIES

Pursuant to an intimation from Promoters, the names of the Promoters and entities comprising "group" as defined under Monopolies and Restrictive Trade Practices Act, 1969, have been disclosed in the Annual Report of the Company for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

ACKNOWLEDGEMENT

Your Directors acknowledge the recognition given and trust reposed in your Company by Investors, Banks, Securities and Exchange Board of India, Stock Exchanges and other Government Agencies. Your Directors would also like to thank the Bureau of Indian Standards (BIS), Chief Controller of Explosives (CCOE), and business customers for all the support given by them.

Place : Kolkata
Dated : 29th day of June, 2009.

For and on behalf of the Board of Directors
ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE — "I" TO DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

A. CONSERVATION OF ENERGY :

- a) The Company has an on going study to identify and implement energy saving systems. For reducing the consumption of energy, the Company has installed the Energy Saving Flameless Electrically Operated Melting Furnace for Zinc to achieve reduction in energy inputs.
- b) This will have an impact in reducing the consumption of Fuel and Power and consequently the cost of production.
- c) The required data with regard to conservation of energy is furnished below :-

FORM-A

Disclosure of particulars with respect to Conservation of Energy for the year ended 31st March, 2009

A) Power and fuel Consumption :-

	Year ending 31.03.2009	Year ending 31.03.2008
1. Electricity		
a) No. of Units (Excluding own generation units by Generator)	613345 Units	536390 Units
b) Total amount in Rs.	Rs. 30,64,405	Rs. 27,52,346
c) Effective Rate / Unit (Rs.)	Rs. 4.99	Rs. 5.13
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others / Internal Generation (Cost of Diesel, Mobil, Consumables & Other Exp. incurred etc.)	Rs. 7,14,756	Rs. 7,20,582

B) Consumption per Unit of Production :-

1. Electricity (in Units Excluding own generation units by Generator)	0.42 Units	0.39 Units
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Other	N.A.	N.A.

B. TECHNOLOGY ABSORPTION : The required information is furnished as below :-

FORM-B

Disclosure of particulars with respect to technology absorption for the year ended 31st March, 2009

1. Specific areas in which R & D proposed to be carried out by the Company : None
2. Benefit derived as result of above R & D : Not Applicable
3. Future plan of action : Not Applicable.
4. Expenditure on R & D : (Rs. In Lacs)

(a) Capital	:	NIL
(b) Recurring	:	NIL
(c) Total	:	NIL
(d) Total R & D Expenditure as a Percentage of total turnover	:	N.A.

Technology absorption, adaptation and innovation :**1. Efforts, in brief made towards technology absorption, adaptation & innovation :**

Continuous efforts are being made towards improvements in the existing production process.

2. Benefit derived as a result of the above efforts :

The Company is successful in improving and maintaining the quality of its product.

3. Particulars of technology imported during last 5 years :

- | | | |
|------------------------------------------------------------------------------------------------------------|---|------|
| (a) Technology import | : | NIL |
| (b) Year of import | : | N.A. |
| (c) Has technology been fully absorbed | : | N.A. |
| (d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action | : | N.A. |

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :**(a) Activity relating to export; initiatives taken to increase exports; development of new export markets for products; and export plans :**

The exports of the Company has increased from Rs. 1108.99 lacs to Rs. 1183.73 lacs during the year under review due to rigorous efforts being undertaken by the Company not only to increase its international presence but also to tap new markets. The Company is expanding its production capacity to emerge as a leading exporter of our product. The Company is an ISO 9001:2000 certified.

(b) Total foreign exchange used and earned :

Total Foreign exchange earning	:	Rs. 11,99,24,647
Total Foreign exchange outgo	:	Rs. 60,82,989

(inclusive of import)

For and on behalf of the Board of Directors

Place : Kolkata

Dated : 29th day of June, 2009

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “II”

CORPORATE GOVERNANCE ANNUAL REPORT OF 2008-09

[As per Clause 49 of The Listing Agreement with Stock Exchanges]

TO THE MEMBERS

Corporate Governance is based on the principles of integrity, fairness, equity, transparency, accountability and commitment to values. Good governance practices stem from the culture and mindset of the organization. The Company continuously reviews its policies and practices of Corporate Governance with a clear goal not merely to comply with statutory requirements in letter and spirit but also constantly endeavours to implement the best international practices of Corporate Governance, in the overall interest of all stakeholders. Some of the major initiatives taken by the Company towards strengthening its Corporate Governance systems and practices include the following :-

- To set-up various dedicated independent Committees.
- The Company has appointed an independent practicing Company Secretary to conduct Secretarial Audit.
- Best Governance Practices are reviewed on a quarterly basis.
- Observance of the Secretarial Standard issued by the Institute of Company Secretaries of India.

In Accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices followed internationally on Corporate Governance, the report containing the details of governance system and processes at DHP INDIA LIMITED is as under :-

1. BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

DHP India Limited is a widely-held Public Limited Company and maintains a very high level of Corporate Governance. The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders. The Company follows the code of corporate governance in its entirety.

2. BOARD OF DIRECTORS :

The Company has a broad-based Board and meets the “Composition” criteria. As on 31st March, 2009, the Board comprised of 6 Directors. Out of the 6 Directors, 4 are Non-Executive of which 3 are the Independent Directors. The board believes that its current composition is appropriate. Composition of the Board and category of Directors are as follows :-

a) The composition and categories of directors i.e. break up of directors is as follows :

Sl.No.	Categories	Promoter/Non-Promoter	Name of Directors & Designation
i)	Executive Director	Promoter	1) Sri Asheesh Dabriwal Managing Director & Chief Executive Officer (C.E.O.)
		Non-Promoter	2) Sri Janak Bhardwaj Director-cum-Works Manager & Chief Operating Officer (C.O.O.)
ii)	Non-Executive Director	Promoter	3) Smt. Anjum Dhandhanian
iii)	Independent & Non-Executive Director	Non-Promoter	4) Sri Buddhadeb Basu Lead Independent Director
		Non-Promoter	5) Sri Rabindranath Das
		Non-Promoter	6) Dr. Subrata Halder
iv)	Nominee Director	N. A.	NIL
v)	Institutional Director	N. A.	NIL

b) The Profile of all Board of Directors is as follows :

Name of Directors	Sri Asheesh Dabriwal	Sri Janak Bhardwaj	Smt. Anjum Dhandhanania	Sri Buddhadeb Basu	Sri Rabindra-nath Das	Dr. Subrata Halder
Directors Identification No.	00044783	00047641	00058506	00061771	00044336	00089655
Date of Birth	4.10.1967	5.7.1963	7.12.1970	23.6.1967	2.3.1933	25.4.1962
Date of First Appointment	26.4.1991	25.6.1998	31.1.2003	31.1.2003	17.5.2003	17.5.2003
Educational Qualification	B.Com.	D.M.E.	L.L.B.	B.Com.	Graduate	M.B.B.S.
Occupation	Industrialist	Service	Business	Business	Retired	Doctor
Status in different Committee of this Company :						
A] Audit Committee	None	None	None	Chairman	Member	Member
B] Shareholders/Investors Grievance Committee	Member	None	Member	Chairman	None	None
C] Remuneration/Management Committee	Member	None	Chairman	Member	None	None
Present Status is this Company	Managing Director & C.E.O.	Executive Director & C.O.O.	Non Executive Director	Lead Independent Director	Independent Director	Independent Director
Directorship in Other Public Limited Company	None	None	None	None	None	None
Chairmanship/Membership of Committee in Other Public Limited Company	None	None	None	None	None	None
Shareholding as on 31st March, 2009	652600 Shares [21.75%]	Nil	20000 Shares [0.66%]	200 Shares [0.0066%]	Nil	Nil

c) Disclosure whether Chairman is Executive/Non Executive :

The Company has not appointed any Director to the post of "Chairman". However in most of the Board Meetings & General Meetings Sri Asheesh Dabriwal, M.D. & C.E.O., Promoter & Executive Director of the Company convenes the meeting as Chairperson.

d) Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships/Memberships of committees of each Directors in various companies :

The Composition of Board during the year ended 31st March, 2009, its attendance and other Directorships & Chairmanships/Memberships in other companies are as under :-

Name of Directors	Categories	No. of Board Meeting attended	Last AGM attended	No. of Other Companies Directorships	No. of Other Committee Chairmanships	No. of Other Committee Memberships
Sri Asheesh Dabriwal	M.D. & C.E.O.	5	YES	None	None	None
Sri Janak Bhardwaj	E.D. & C.O.O.	5	YES	None	None	None
Smt. Anjum Dhandhanania	N.E.D.	5	NO	None	None	None
Sri Buddhadeb Basu	N.E. & I.D.	5	YES	None	None	None
Sri Rabindranath Das	N.E. & I.D.	5	YES	None	None	None
Dr. Subrata Halder	N.E. & I.D.	5	NO	None	None	None

Note : (1) M.D. & C.E.O. - Managing Director & Chief Executive Officer, (2) E.D. & C.O.O. - Executive Director & Chief Operating Officer, (3) N.E.D. - Non-Executive Director, (4) N.E. & I.D. - Non-Executive & Independent Director.

e) No. of Board Meetings held along with the dates of Board Meeting :

The Corporate Governance policy requires the Board to meet at least four times in a year with a maximum gap of three months between any two meetings. The details of Board meetings held during the year are as under :-

Date of Board Meeting	Board Strength	No. of Directors Present	Main Purpose of Meetings
30.04.2008	6	6	General Board Meeting
27.06.2008	6	6	Audited Accounts Approval
30.07.2008	6	6	1st Quarter Accounts Approval
30.10.2008	6	6	Half-yearly Accounts Approval
30.01.2009	6	6	Nine Months Accounts Approval

f) Board's Procedure : It has always been the Company's policy and practice that apart from matters requiring the Board's approval by statute, all major decisions of the Company as a whole are regularly placed before the Board. This is in addition to information with regard to actual operations, major litigation, feed back reports and minutes of Committee Meetings.

g) Code of Conduct : The company has a code of conduct, which is applicable to all Board Members and senior management of the company. The code of conduct is as below :-

- To maintain Fair Market Practices.
- To maintain the integrity of Financial records and Accounting
- To develop a good External Communication with all Statutory Bodies
- To develop Work Ethics with Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility and Caring.
- To ensure highest level of transparency.

The Chief Executive Officer (C.E.O.) Sri Asheesh Dabriwal has declared that the above code of conduct is applicable to all the senior management & board members and has also been complied by the company. Declaration Certificate is attached with Report.

h) Terms of Office of Non-Executive Directors : At present there are four Non-Executive Directors in the company and out of this, three are also Independent Directors. All four Non-Executive Directors have been appointed as regular directors and confirmed by shareholders on 30/08/2003. The Board fixed their terms of office as per amended new listing agreement for not more than nine years for all four Non-Executive Directors i.e. from 30/08/2003 to 29/08/2012 (both days inclusive). The details are as below :-

Name of Directors	Position	Terms of Office
Sri Buddhadeb Basu	Non-Promoter, Non-Executive, Lead Independent Director	30.08.2003 to 29.08.2012
Smt. Anjum Dhandhanania	Promoter & Non-Executive Director	30.08.2003 to 29.08.2012
Sri Rabindranath Das	Non-Promoter, Non-Executive & Independent Director	30.08.2003 to 29.08.2012
Dr. Subrata Halder	Non-Promoter, Non-Executive & Independent Director	30.08.2003 to 29.08.2012

i) Responsibility of the CEO, COO and CFO : The current policy of the company is to have a Chief Executive Officer (C.E.O.) – Mr. Asheesh Dabriwal, who is also the Promoter & Managing Director of the Company, a Chief Operating Officer (C.O.O.) – Mr. Janak Bhardwaj, who is also the Executive Director-cum-Works Manager & whole time employee of the Company, and a Chief Financial Officer

(C.F.O.) – Mr. Ashok Kumar Singh, a whole time employee of the company. There are clear demarcations of responsibility and authority amongst the three.

- **The CEO and Managing Director** Mr. Asheesh Dabrial is overall responsible for corporate strategy, brand equity, planning, external contracts and all other management matters. He is also responsible for achieving the annual business plan & investments.
- **The COO and Executive Director-cum-Works Manager** Mr. Janak Bhardwaj is responsible for all production matters, customer service operations. He is also responsible for technology, new technical initiatives, renovations & industrial & personnel relations.
- **The CFO** Mr. Ashok Kumar Singh is a qualified Chartered Accountant & Cost Accountant. He is responsible for ensuing all the accounts, auditing, taxation & corporate governance matters.

- j) **Re-appointment of Directors** : The Directors Smt. Anjum Dhandhanian & Dr. Subrata Halder shall retire by rotation at the ensuing Annual General Meeting, and are eligible for re-appointment. Both Directors have opted for re-appointment. The brief particulars of above directors have already been mentioned in their profile. However, the suitable disclosure mentioned in the Notes as forming part of Notice of A.G.M. annexed with the Report.

3. AUDIT COMMITTEE :

- i) **Composition, name of members and Chairperson** : The composition of the Audit Committee are as below :-

- | | |
|----------------------------------|----------------------------------------------------------------------------------------------------|
| 1. Sri Buddhadeb Basu – Chairman | <i>[Non-Executive & Lead Independent Director – having financial and accounting knowledge]</i> |
| 2. Sri Rabindranath Das – Member | <i>[Non-Executive & Independent Director]</i> |
| 3. Dr. Subrata Halder – Member | <i>[Non-Executive & Independent Director]</i> |

Mr. Ashok Kumar Singh, Chief Financial Officer (C.F.O.) of the company having requisite qualification as qualified Chartered Accountants & Cost Accountants, acts as Finance & Accounts function of the company is a permanent invitee of the Audit Committee.

Mr. Adinath Banerjee, Company Secretary-cum-Compliance Officer of the company having requisite qualification of qualified Companies Secretaries & Cost Accountants, acts as the Secretary to the Committee.

- ii) **No. of meeting and attendance** : During the year the Audit Committee has met 5 times on 30/04/2008; 27/06/2008; 30/07/2008; 30/10/2008; and 30/01/2009 and all of the above members were present in all five meetings held during the year ended 31/03/2009.

- iii) **Brief description of terms of reference** : The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and the guidelines set out in the listing agreements with the Stock Exchanges. The terms of reference of audit committee are as below :-

- Overview of the Company's financial reporting process and the disclosure of its financial information.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval of payment for the other services.
- Reviewing with management the quarterly, half-yearly and annual financial statements before submission to the board, focusing primary on.
 - (a) Any changes in accounting policies and practices
 - (b) Major accounting entries based on exercise of judgement by management
 - (c) Qualification in draft and audit report
 - (d) Significant adjustments arising out of audit
 - (e) The going concern assumption.
 - (f) Compliance with accounting standards.

- (g) Compliance with stock exchange and legal requirements concerning financial statements.
- (h) Any related party transaction i.e. transaction of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control system.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditors for any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors in matters of suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with external auditors before the audit commences about the nature and the scope of the audit as well as post audit discussion to ascertain any area of concern.
- Reviewing the company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, share holders (in case of non-payment of declared dividend) and creditors.

The Audit Committee reviews the quarterly/periodically/annual report submitted by the Finance & Accounts Department. C.F.O. of the Company Mr. Ashok Kumar Singh attends all the Committee Meetings and briefs the Committee on all the points covered in the report as well as the other issues which come up during discussions.

Minutes of the meeting of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

4. REMUNERATION / MANAGEMENT COMMITTEE :

- i) **Brief description of terms of reference** : The terms of reference of Remuneration/Management Committee include :

- Review and approval of business strategies and policies, medium & short term plans.
- Review of operating performance of the company.
- Approval of Remuneration of Executive & Non-Executive Directors.

Minutes of the meeting of the Remuneration/Management Committee are circulated to members of the Committee and the Board is kept apprised.

- ii) **Composition, name of members and Chairperson** : As on date the particulars of directors in Remuneration / Management Committee are as below :-

1. Smt. Anjum Dhandhanian – Chairman [*Non-executive & Promoters Director*]
2. Sri Buddhadeb Basu – Member [*Non-Executive & Independent Director*]
3. Sri Asheesh Dabriwal – Member [*Executive & Promoters Director*]

- iii) **No. of meeting and attendance** : During the year the Remuneration / Management Committee has met only one time on 30/04/2008; and all of the above members were present in the Remuneration / Management committee meeting held during the year ended 31/03/2009.

- iv) **Remuneration Policy** : The Remuneration Policy of the Company for managerial personnel is primary based on the performance of the following criteria :

- Performance of the Company.
- Track record, potential and performance of individual managers and
- External competitive environment.

- v) **Details of Remuneration to all directors as per format listing out the following** : Pay & remuneration to Managing Director Sri Asheesh Dabriwal & Executive Director Sri Janak Bhardwaj – who is whole time employee of the company. In addition to remuneration paid to Sri Asheesh

Dabriwal & Sri Janak Bhardwaj, the company also pays the sitting fees @Rs.500/- per sitting of General Board Meeting to all Non-Executive Directors (Other than those receiving remuneration) for attending Board Meetings.

The Details of remuneration payment to Directors are as below :

Name of Directors	Designation	Nature of Remuneration	Remuneration Paid	Total Remuneration
Sri Asheesh Dabriwal	Managing Director & Chief Executive Officer (C.E.O.)	Salary/Leave pay/Bonus etc.	Rs. 3,94,259	Rs. 8,83,888
		Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc.	Rs. 47,351	
		Car/Phone/Club facilities	Rs. 4,42,278	
Sri Janak Bhardwaj	Executive Director & Chief Operating Officer (C.O.O.)	Salary/Leave/allowances/Bonus	Rs. 9,49,375	Rs. 12,62,257
		Perquisite as per I.T. Act.	Rs. 13,692	
		Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc.	Rs. 1,02,742	
		Car & Phone facilities	Rs. 1,96,448	
Smt. Anjum Dhandhanania	Non-Executive Director	Sitting Fees of Board Meeting	Rs. 2,500	Rs. 2,500
Sri Buddhadeb Basu	Independent Director	Sitting Fees of Board Meeting	Rs. 2,500	Rs. 2,500
Sri Rabindranath Das	Independent Director	Sitting Fees of Board Meeting	Rs. 2,500	Rs. 2,500
Dr. Subrata Halder	Independent Director	Sitting Fees of Board Meeting	Rs. 2,500	Rs. 2,500

Note : 1. The Initial Service Contract of Sri Asheesh Dabriwal, Managing Director & C.E.O. of the Company is for Five years from 20.12.2004 to 19.12.2009, however the notice period is one month.

2. Sri Janak Bhardwaj, Executive Director & C.O.O. of the Company is a whole time employee of the company and the notice period of service contract is one month.

5. SHAREHOLDERS / INVESTOR GRIEVANCE COMMITTEE :

- i) **Name of non-executive director heading the committee :** The name of director heading the committee are as below :-
 1. Sri Buddhadeb Basu – Chairman *[Non-Executive & Lead Independent Director]*
 2. Smt. Anjum Dhandhanania – Member *[Non-executive & Promoter Director]*
 3. Sri Asheesh Dabriwal – Member *[Executive & Promoter Director]*
- ii) **Name & designation of Compliance Officer :** Mr. Adinath Banerjee, Company Secretary of the Company is the Compliance Officer of the Company.
- iii) **No. of Shareholders Complaints received so far and No. of Complaints not solved to the satisfaction of the shareholders :** None of the complaints received from shareholders & pending unsolved as on 31/03/2009 from any investors for any services. Only revalidation of dividend warrant / change of address & bank account intimation etc. were received from some investors and their requests were complied promptly. No complaints are pending & unsolved of shareholders.
- iv) **No. of pending share transfer for more than a fortnight :** No shares are pending for transfer till date for more than a fortnight from the date of share transfer request received.

6. GENERAL BODY MEETING :

- i) **Location and time where the last 3 AGMs were held :** The last three Annual General Meetings were held at the Registered Office of the Company at 10, Middleton Row, Ground Floor, Kolkata – 700 071 as per details given below :-

<u>YEAR</u>	<u>DATE</u>	<u>DAY</u>	<u>TIME</u>	<u>Name of AGM/EGM</u>
2007-2008	30/08/2008	Saturday	11.00 A.M.	Seventeenth A.G.M.
2006-2007	31/08/2007	Friday	11.00 A.M.	Sixteenth A.G.M.
2005-2006	31/08/2006	Thursday	11.00 A.M.	Fifteenth A.G.M.

- ii) **Whether Special resolutions were put through postal ballot last year, details of voting pattern and person who conducted the postal ballot excise and procedure for postal ballot :** No Special Resolution passed in last A.G.M. dt. 30/08/2008 under the postal ballot scheme.

7. DISCLOSURES :

- i) **Materially Significant related party transaction :** There are no materially significant transactions with related parties viz., Promoters, Directors or the Management, their subsidiaries, or relatives, conflicting with Company's interest. Suitable disclosures as required by the Accounting Standard (AS-18), related party transaction have been made in the Annual Report as Note No. 11 of Part – (C) of Schedule - 20.

There is no pecuniary relationship or transactions of non executive directors vis-à-vis the Company which has potential conflict with the interests of the Company at large.

- ii) **Details of Non-compliances by the company, penalty etc. imposed by the Stock Exchanges, SEBI, Other capital market during last three years :** The Company has complied all rules, regulations, forms, returns etc. with all regulatory bodies within specified time. During the last three years, no penalty strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities on matters related to capital markets.

- iii) **Disclosure of "Group Companies" as per Monopolies and Restrictive Trade Practices Act, 1969 :-**

The disclosure of Group Companies have been made in Annual Report as Note on Part –(A) of Schedule 20 as per meaning of Regulation 3(1)(e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and or "group" defined in the Monopolies and Restrictive Trade Practices Act, 1969.

8. MEANS OF COMMUNICATION :

- i) **Half yearly report sent to each shareholders residence :** The Company regularly intimates half yearly report to the Stock Exchanges immediately after these are taken on record by the Board and also publish in newspaper. The half yearly results are not sent individually to the shareholders.
- ii) **In which newspapers quarterly results were normally published :** The quarterly unaudited results, limited review report by auditors & annually audited results etc. normally published in the "Business Standard" or "The Financial Express" or "Asian Age" or "Economic Times" (English Edition) and "Kalantar " or "Dainik Lipi" or "Pratyahiki Sambad" or "Dainik Statesman" (Bengali Edition).
- iii) **SEBI EDIFAR :** Annual Report, Quarterly results, Shareholding Pattern etc. of the Company are also posted on the SEBI EDIFAR website as <http://www.sebiedifar.nic.in> maintained by National Information Center (NIC), online as may be specified by SEBI.
- iv) **Any Website where results or official news are displayed and the presentation made to institutional investors or to the analysts :** The company does not publish any news and the presentation made to the investors/analysts to any website. However, the results and all corporate return etc. placed through EDIFAR website as mentioned above. Further all the material information which has bearing on the operations of the company is sent to all stock exchanges concerned.

- v) **Whether Management Discussion and Analysis is part of Annual Report or not :** The Company's Management discussion & analysis report enclosed separately.
9. **PROHIBITION OF INSIDER TRADING NORMS :** The Company has adopted the code of internal procedures and conduct for Listed Companies notified by Securities Exchange Board of India prohibiting insider trading. A policy document on internal code of conduct is available with the registered office of the Company. All insiders shall comply with the model code of conduct adopted by the Company.
10. **GENERAL SHAREHOLDER INFORMATION :**
- i) **A.G.M. – Date, time and venue :** Eighteenth A.G. M. dated : 31/08/2009 (Monday)
Time : 11.00 A.M. at the registered office of the
Company:10,Middleton Row, Kolkata – 700 071.
- ii) **Financial Year : For adoption of quarterly results Expected date**
- | | |
|---------------------------|---------------------------|
| Quarter ending 30/06/2009 | Last week of July'2009 |
| Quarter ending 30/09/2009 | Last week of October'2009 |
| Quarter ending 31/12/2009 | Last week of January'2010 |
| Year ending 31/03/2010 | Last week of June'2010 |
- iii) **Book Closure Date :** 24/08/2009 (Monday) to 31/08/2009 (Monday)
- iv) **Exclusive ID No. for Investor Complaints:** In view of Clause 47(F) of the Listing Agreement with the Stock Exchanges, the following information is given below :-
Name of Compliance Officer : ADINATH BANERJEE
E-mail ID : info@dhpindia.com
- v) **Listing on Stock Exchanges & Stock Code, if any :** At present the shares of the company listed with only two stock exchanges Kolkata & Mumbai. The details of Stock code etc. are as below :-
(1) **The Calcutta Stock Exchange Association Ltd. i.e. CSE [Regional Stock Exchange, Code :14058]**
(2) **Bombay Stock Exchange Limited, Mumbai i.e. BSE [Securities Code No .- 531306]**
Annual listing fees for the financial year 2009-2010 of above two stock exchanges paid.
- vi) **Demat ISIN No. with CDSL & NSDL :** The ISIN of dematerialised shares of the Company is INE590D01016.
- vii) **Electronic Connectivity :** The shares of the company is electronically connected with both the depositories as **M/s. National Securities Depository Ltd [NSDL] & M/s. Central Depository Services (India) Ltd (CDSL)**. The required custodian fees for financial year 2009-2010 of above two depositories paid.
- viii) **Share Transfer system :** Presently as per SEBI and Stock Exchange requirement the company has appointed a Registrars & Share Transfer Agents **M/s. Niche Technologies Private Limited, D-511, Bagree Market, 71, B.R.B.B.Road, Kolkata – 700 001** for handling of all share transfers system as well as Dematerialisation process with a single entity. The share transfers which are received in physical form are processed within 10 days from the date of receipt, subject to documents being valid and completed in all respect.
- ix) **Transfer of unclaimed amount to Investor Education and Protection Fund :** The investors are advised to claim the unencashed dividends lying in the unpaid dividend accounts of the Company before the due date (as indicated in the Notes to the Notice) for crediting the same to the Investor Education and Protection Fund.
During the year under review the Company has credited a sum of Rs.19,290/- of unclaimed dividend of F.Y. 2000-2001 to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956.
- x) **Plant Location : The factory situated at :-**
" Dhulagarh Industrial Park, P.O. :- Kanduah, P.S. :- Sankrail, N.H. - 6, Howrah – 711 302".

- xi) **Market Price Data – High/Low during each month of the F.Y.2008-2009** : The equity shares of the company are hardly traded in The Calcutta Stock Exchange Association Ltd. In Mumbai Stock Exchange the shares of company are regularly traded. Similarly the website of Calcutta are not operative/exists/available for information of stock price. As per BSE website the following market price & volume of shares traded during the financial year 2008-2009 :-

Month	BSE(Monthly High) Price per share (Rs.)	BSE(Monthly Low) Price per share (Rs.)	No. of shares traded	Turnover (Rs.)
April'2008	15.50	13.15	33,738	4,77,392
May'2008	16.80	13.00	14,596	2,04,080
June'2008	16.70	13.60	10,216	1,53,736
July'2008	16.50	13.50	9,804	1,47,970
August'2008	17.05	14.10	4,560	69,765
September'2008	15.70	13.32	5,254	75,141
October'2008	14.90	12.74	7,926	1,07,700
November'2008	14.90	13.00	1,412	19,221
December'2008	14.50	12.00	2,856	36,840
January'2009	13.50	11.22	5,112	64,029
February'2009	14.00	11.60	2,703	34,922
March'2009	13.50	11.31	1,917	23,680
Total No. of shares traded & volume of 2008-2009			1,00,094	14,14,476

- xii) **Performance in comparison to broad based indices such as BSE Sensex, CRISIL, Index etc.** : The shares of the company are very thinly traded in the stock exchanges, hence the comparison on broad base index is irrelevant.
- xiii) **Distribution of Shareholding as on 31st March, 2009** : Distribution of Shareholding by number of shares pattern are as below :-

a) Shareholding Pattern by Size (as on 31/03/2009) :

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of shares	% of Shareholding
1 - 500	887	81.6759	1,47,223	4.9074
501 - 1,000	100	9.2081	82,984	2.7661
1,001 - 5,000	72	6.6298	1,58,338	5.2780
5,001 - 10,000	13	1.1971	93,110	3.1037
10,001 - 50,000	9	0.8287	2,23,240	7.4413
50,001 - 1,00,000	1	0.0921	84,805	2.8268
1,00,001 and above	4	0.3683	22,10,300	73.6767
TOTAL	1086	100.0000	30,00,000	100.0000

b) Shareholding Pattern by Ownership (as on 31/03/2009) :

Categories	Particulars of Categories	No. of Shareholders	Total No. of Shares	As percentage of shares
Promoters Group (Indian)	Director's & their relatives holding	4	18,44,700	61.490%
	Promoter's Body Corporate holding	2	4,03,500	13.450%
	Total of Promoters holding (Indian)	6	22,48,200	74.940%
Non-Promoters Group	Indian - Body Corporate	25	59,014	1.967%
	Indian-Individual & HUF holding Nominal Shares Value Up to Rs. 1 lakh	1039	4,57,973	15.266%
	Indian-Individual & HUF holding Nominal Shares Value above Rs. 1 lakh	4	1,62,307	5.410%
	Any Others - NRI/OCB	4	67,988	2.266%
	Clearing Member	8	4,518	0.151%
	Total of Non-Promoters holding	1080	7,51,800	25.060%
	TOTAL SHAREHOLDINGS	1086	30,00,000	100.000%

c) Shareholding Pattern by Dematerialisation & Physical Form (as on 31/03/2009) :

Particulars	No. of Equity Shares	% of Shareholding
Dematerialised with NSDL	27,42,272	91.41
Dematerialised with CDSL	1,54,482	5.15
Total Dematerialised Shares	28,96,754	96.56
Shares in Physical Form	1,03,246	3.44
Total Paid-up Equity Shares	30,00,000	100.000

xiv) **Dematerialisation of Shares and liquidity as on 31/03/2009** : Over 96.56 % of the Company's paid-up equity share capital has been dematerialised up to 31st March, 2009. Trading in Equity Shares of the Company is permitted only in dematerialised form as per notification issued by SEBI. The equity shares of the company is infrequently traded in The Calcutta Stock Exchange Association Ltd. (CSE) & frequently traded in Bombay Stock Exchange Ltd. (BSE).

xv) **Outstanding GDR/ADR/Warrants or any Convertible Instruments** : NIL.

xvi) **Address for Correspondence** : For transfer/dematerialisation of shares and any other query relating to the shares of the company.

Niche Technologies Private Limited
[Registrar & Share Transfer Agents of DHP India Limited]
D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700 001.

For any query on annual Report etc.

DHP INDIA LIMITED
10, Middleton Row, Kolkata – 700 071.

11. **CEO/CFO CERTIFICATION** : The CEO / CFO Certificates on Corporate Governance are enclosed.
12. **COMPLIANCE CERTIFICATE FROM AUDITORS OF THE COMPANY** : The Auditors Certificate for *Compliance of Corporate Governance are read and recorded and they are self explanatory and do not call for further comments.*
13. **SECRETARIAL AUDIT REPORT** : The Practicing Company Secretary's Certificate on Secretarial Audit for the year ended 31/03/2009 are read and recorded and they are self explanatory and do not call for further comments.
14. **SECRETARIAL COMPLIANCE & CAPITAL INTEGRITY REPORT** : The Company Secretary while preparing the Agenda, notes on agenda, minutes etc. of the meeting(s), is responsible for and is required to ensure adherence to all applicable provisions of law including the Companies Act, 1956 and the Secretarial Standards recommended by the Institute of Company Secretaries of India.

The Secretarial Audit Report from a practicing company secretaries as per Regulation 55A of SEBI (Depositories & Participants) Regulation, 2003, confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the above Secretarial Audit Report is submitted to both depositories NSDL & CDSL and also the Stock Exchanges, where the securities of the Company are listed.

For and on behalf of the Board of Directors

Place : Kolkata
Dated : 29th day of June, 2009.

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “III”**MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF 2008-2009**

[As per Clause 49 of The Listing Agreement with Stock Exchanges]

TO THE MEMBERS

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as various estimates and judgements used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflects in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year. Apart from financial analysis, the management discussed on following areas :-

- (a) **Forward-Looking Statement :** Forward-looking statements are based on certain assumptions and expectations of future events. The company cannot guarantee that these assumptions and expectations are accurate or will be realised. The company's actual results, performance or achievements could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events.
- (b) **Industrial structure and development :** In view of the changed Economic Scenario and changes in the Government Policy, the Company has to realign its strategy and focus in the area of operations for successful performance.

The Company concentrated on creating & exploring the export market of our product and initially successful results obtained.

- (c) **SWOT (Strength, Weakness, Opportunity & Threat) Analysis for the Company :** There is a big potential of increasing the sale of LPG Regulators for the export market. The SWOT analysis of the company are as below :-

Strengths :

- Obtain various License and Testing Certification for Exported Goods in various Country as well as in India for their specific technical requirement and safety measurement.
- High quality and safe products at affordable prices.
- Ongoing product innovation and renovation.
- Strong and varied range of products as per requirement of market.

Weakness :

- Time delays in procurement of raw materials.

Opportunities :

- Potential for expansion for diversified products.
- The Future of Global Market is very optimistic relating to LPG Appliances.
- Growing Trend for consumption of Domestic Pressure Regulators & Gas Appliances.

Threat :

- Rising price of Raw Materials & Components.
 - Competitive environment with diverse players.
- (d) **Risk and concern :** It is difficult to assess the risk involved in the business. It is always the intention of the management to minimize the risk involvement with proper analysis and market study & internal control systems.
- (e) **Internal Control and System Adequacy :** The Company maintains an ideal internal control system in every area of its operation.
- (f) **Operational Performance :** The Company has already shifted the main focus of its manufacturing business from domestic market to the export markets and is confident of obtaining satisfactory orders in the coming years.
- (g) **Industrial Relation :** The Company considers its human resource as the most valuable ingredient of the functioning of the company and utmost endeavour is made to maintain good relations with the employees at all levels.

Place : Kolkata

Dated : 29th day of June, 2009.

For and on behalf of the Board of Directors

ASHEESH DABRIWAL

Managing Director & C.E.O.

CHIEF EXECUTIVE OFFICER (C.E.O.) DECLARATION IN TERMS OF CLAUSE 49(I) (D) (ii) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES RELATING TO CODE OF CONDUCT

TO THE MEMBERS OF DHP INDIA LIMITED

I, **ASHEESH DABRIWAL, C.E.O. & Managing Director of DHP INDIA LIMITED**, hereby declare that, as per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the **Code of Conduct of the Company**, for the year ended March 31, 2009.

Place : Kolkata

Dated : 29th day of June, 2009.

For DHP INDIA LIMITED

ASHEESH DABRIWAL

Managing Director & C.E.O.

**CHIEF EXECUTIVE OFFICER (C.E.O.) AND CHIEF FINANCIAL OFFICER
(C.F.O.) CERTIFICATION IN TERMS OF CLAUSE 49(V) OF THE LISTING
AGREEMENT WITH THE STOCK EXCHANGES**

The Board of Directors
DHP INDIA LIMITED
10, Middleton Row,
Kolkata – 700 071.

We, Asheesh Dabriwal, C.E.O. and Managing Director and Ashok Kumar Singh, C.F.O. of DHP INDIA LIMITED, to the best of our knowledge and belief, certify that :-

1. We have reviewed the Balance Sheet and Profit & Loss Account, and all its schedules and notes on accounts, as well as the Cash Flow Statements and the Directors Report of year ended 31/03/2009.
2. Based on our knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or does not contain any statement that might be misleading.
3. Based on our knowledge and information, the financial statements, and other financial information included in these report, fairly present in all material respect the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report, and are in compliance with the existing Accounting Standards and/or applicable laws and regulations.
4. To the best of our knowledge and belief, no transactions entered into by the company during the aforesaid period are fraudulent, illegal or violative of the Company's code of conduct.
5. We are responsible for establishing and maintaining disclosure controls and procedure and internal controls over financial reporting for the company, and we have :-
 - a) evaluated the effectiveness of the company's disclosure, controls and procedures over financial reporting; and
 - b) disclosed in this report any change in the company's internal controls over financial reporting that occurred during the company's most recent accounting period that may be materially affected, or is reasonably likely to affect, the company's internal controls over financial reporting.
6. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company's Board of Directors :-
 - a) All deficiencies in the design or operation of internal controls, which could adversely affect the company's ability to record, process, summarise and report financial data, and have identified for the company's auditors, any material weakness in internal controls over financial reporting including any corrective actions with regards to such deficiencies, if any;
 - b) Significant changes in internal controls during the period covered by this report, if any;
 - c) All significant changes in accounting policies during the period, if any and that the same have been disclosed in the notes to the financial statements.
 - d) No instances of significant fraud of which we are aware, involving management or other employees who have significant role in the company's internal control system.
7. We further declare that the all board members and senior management personnel have affirmed compliance with the code of conduct for the current year.

Place : Kolkata
Dated : 29th day of June, 2009.

**For DHP INDIA LIMITED
ASHEESH DABRIWAL
Chief Executive Officer (CEO)
& Managing Director
Executive & Promoter Director**

**For DHP INDIA LIMITED
ASHOK KUMAR SINGH
Chief Financial Officer (CFO)**

SECRETARIAL AUDIT REPORT

The Board of Directors
DHP INDIA LIMITED
10, Middleton Row,
Kolkata-700071.

We have examined the registers, records and documents of DHP INDIA LIMITED ("the Company") for the financial year ended on March 31, 2009 according to the provisions of –

- The Companies Act, 1956 and the Rules made under that Act; and also The Companies (Amendment) Act, 2006;
 - The Depositories Act, 1996 and Regulations and the Byelaws framed under the Act;
 - The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") –
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
 - (c) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
 - The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made under that Act; and
 - The Equity Listing Agreement with the Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange Association Ltd. (CSE).
1. Based on our examination and verification of the records produced to us and according to the information and explanations given to us by the Company, we report that the Company has, in our opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act and Memorandum and Articles of Association of the Company, with regard to :
- (a) maintenance of various statutory register and documents and making necessary entries therein;
 - (b) closure of Register of Members;
 - (c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - (d) service of documents by the company on its Members, and Registrar of Companies;
 - (e) notice of Board Meetings and Committee Meetings of Directors;
 - (f) the Meeting of Directors and Committee of Directors including passing of resolutions by circulation;
 - (g) the 17th Annual General Meeting held on August 30, 2008;
 - (h) the minutes of proceedings of General Meetings and of Board and other meetings;
 - (i) approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
 - (j) constitution of the Board of Directors and appointment and re-appointment of directors;
 - (k) remuneration paid to Directors other than Managing Director and Executive Director;
 - (l) appointment and remuneration of Managing Director and Executive Director;
 - (m) appointment and remuneration of Statutory & Tax Auditor and Internal Auditors;
 - (n) transfers and transmissions of the Company's shares and issue and delivery of original/duplicate/ splitting etc. certificates of shares;
 - (o) form of Balance Sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
 - (p) transfer of unclaimed amounts as required under the Act to the Investor Education and Protection Fund;
 - (q) investment of Company's fund ;
 - (r) contracts, common seal, registered office and publication of name of the Company; and
 - (s) generally, all other applicable provisions of the Act and the Rules made under that Act;
2. We further report on the basis of our examination and verification of the records produced to us and in accordance with the information and explanations given to us by the Company that :



- (a) the Company's Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings, and directorships in other companies and interest in other entities.
 - (b) there was no prosecution initiated against or show cause notice received by the Company and no fines or penalties were imposed on the Company under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.
3. We further report, on the basis of our examination and verification of the records produced to us and in accordance with the information and explanations given to us by the Company, that the Company has complied with the provisions of the Depositories Act, 1996 and Regulations and the Byelaws framed there under by the Depositories with regard to dematerialisation / rematerialisation of securities issued by the Company.
4. We further report, on the basis of our examination and verification of the records produced to us and in accordance with the information and explanations given to us by the Company that :
- (a) the Company has complied with the requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Ltd. (BSE) and The Calcutta Stock Exchange Association Ltd. (CSE).
 - (b) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 1997 with regards to the disclosures and maintenance of records required under the Regulations.
 - (c) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regards to the disclosures and maintenance of records required under the Regulations.

31A, S. P. Mukherjee Road,
Kolkata - 700 025

For **SUSHIL TIWARI & ASSOCIATES**
Company Secretaries
SUSHIL TIWARI
Proprietor

The 29th day of June, 2009

Membership No.ACS-6199 & Certificate of Practice No.1903

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF DHP INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by DHP INDIA LIMITED, for the year ended on 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

4E, Jain Centre, 34A, Metcalfe Street
Kolkata - 700 013

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
NAVIN NAYAR
Partner

The 29th day of June, 2009

Membership No. 053267

AUDITORS' REPORT TO THE MEMBERS OF DHP INDIA LIMITED

We have audited the attached **Balance Sheet** of **DHP INDIA LIMITED** as at **31st March, 2009** and the **Profit & Loss Account** and also the **Cash Flow Statement** for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and **significant estimates made by management**, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, (as amended) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the **ANNEXURE**, hereto a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in **ANNEXURE** referred to in paragraph 2 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of the books;
 - (c) In our opinion, the **Balance Sheet**, **Profit & Loss Account** and **Cash Flow Statement** dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the **Balance Sheet**, **Profit & Loss Account** and **Cash Flow Statement** dealt with by this report comply with the Accounting Standards (AS) referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India :
 - (i) In so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009 ;
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date ; and
 - (iii) In so far as it relates to the Cash Flow Statement, of the Cash flows of the Company for the year ended on that date.

4E, Jain Centre, 34A, Metcalfe Street
Kolkata - 700 013

The 29th day of June, 2009

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

ANNEXURE TO THE AUDITORS' REPORT

STATEMENT ON THE MATTERS SPECIFIED IN PARAGRAPHS 4 AND 5 OF THE COMPANIES (AUDITOR'S REPORT) ORDER, 2003 (AS AMENDED) ORDER, 2004 AS REFERRED TO IN PARAGRAPH 2 OF OUR REPORT OF EVEN DATE

1. In respect of its Fixed Assets :
 - (a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
 - (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. We are informed that no material discrepancies were noticed on such verification.
 - (c) The Company has not disposed of a substantial part of its fixed assets during the year and the going concern assumption of the Company is not affected.
2. In respect of its Inventories :
 - (a) As explained to us, inventories have been physically verified by the management at a regular intervals during the year.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3.
 - (a) The Company has not granted any loans, secured or unsecured, to / from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In respect of granted of loans, the clause (iii)(b), (iii)(c), (iii)(d) of paragraph 4 of the aforesaid order are not applicable to the Company.
 - (c) The Company has taken unsecured loan from its one of promoter group company, which are covered in the register maintained under section 301 of the Act. The aggregate of maximum amounts involved during the year in respect of such loan granted was Rs.1,00,00,000/- and the year end balance Rs.1,00,00,000/-.
 - (d) In our opinion, the rate of interest and other terms and conditions on which loan have been taken from company listed in register maintained under section 301 of the Act are not, prima facie, prejudicial to the interest of the Company.
 - (e) In respect to the loans taken by the Company, there were no stipulations with respect to repayment of principal amounts. As such, we are unable to comment on regularity or otherwise of repayment of such loans. However, the Company is regularly in paying the interest of such loan.
 - (f) As informed to us, having regard to the terms and conditions of loan taken by the company, there is no outstanding interest payable in respect of such loan.
4. In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods. During the course of our audit, no major weaknesses have been noticed in the internal control system and there is no continuing failure to correct major weaknesses in internal control system.

5. In respect of transaction covered under section 301 of the Companies act, 1956 :
 - (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - (b) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provision of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975. Therefore clause (vi) of paragraph 4 of the aforesaid Order is not applicable to the company.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Company is not required to maintain accounts or records pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. In respect of statutory dues :
 - (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance (ESI) dues, Income-Tax, Fringe Benefit Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it. According to information and explanation given to us, there is no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance dues, Income-Tax, Fringe-Benefit Tax, Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it, which were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.
 - (b) According to the records of the company, there are no dues of Sales-Tax, Wealth-Tax, Service-Tax, Custom Duty, Excise Duty, Cess which has not been deposited on account of any dispute for the year ended 31st March, 2009. An amount of Rs. 24,457/- of Income-Tax liability of Asst. Year 1992-93, may arise due to effect of tribunal order and the same not paid for awaiting the revised order & demand from Income-Tax authorities.
10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceeding financial year.
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution, banks or debenture holders and micro, small & medium enterprises.
12. The Company has not granted any loans & advances on the basis of securities by way of pledge of shares, debentures and other similar securities.
13. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the other provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the Company.
14. The Company has maintained proper records of transactions and contracts in respect of dealing in shares, securities, debentures, Units of Mutual Fund and other Investments, and timely entries have been made therein. All shares, debentures, units of mutual fund and other investments have been held by the Company in its own name.

15. The Company has not given any guarantee for the loan taken by others from bank or financial institutions during the year.
16. The Company has not taken any term loans during the years. Therefore, the provisions of clause (xvi) of paragraph 4 of the aforesaid order are not applicable to the Company. During the year, the Company has taken a cash credit loan facilities from its banker ABN AMRO BANK N.V. The above cash credit loans secured by hypothecation of Company's entire stock, book debts and other current assets, both present and future and also secured by first charge of fixed assets of the Company, equitable mortgage of factory land and building by way of collateral security.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. During the year the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not created securities or charge in respect of debentures issued.
20. The company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that causes the financial statements to be materially misstated.

4E, Jain Centre, 34A, Metcalfe Street
Kolkata - 700 013

The 29th day of June, 2009

For **NAVIN NAYAR & COMPANY**
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

BALANCE SHEET AS AT 31ST MARCH, 2009

	Schedule	As at 31st March, 2009		As at 31st March, 2008	
		Rs.	Rs.	Rs.	Rs.
I. SOURCES OF FUNDS					
1) Shareholders' Funds :					
a) Share Capital	1	3,00,00,000		3,00,00,000	
b) Reserves and Surplus	2	5,43,74,609	8,43,74,609	4,67,06,972	7,67,06,972
2) Loan Funds :					
Secured Loans	3	1,65,46,289		—	
Unsecured Loans	4	1,00,00,000	2,65,46,289	—	—
TOTAL			11,09,20,898		7,67,06,972
II. APPLICATION OF FUNDS					
1) Fixed Assets :					
a) Gross Block	5	9,99,12,107		9,05,11,255	
b) Less : Depreciation		4,26,32,299		3,54,56,922	
c) Net Block		5,72,79,808		5,50,54,333	
d) Add : Capital Work-in-Progress		—	5,72,79,808	—	5,50,54,333
2) Investments	6				
Long-Term Investment at Cost		29,65,119		27,42,591	
Less : Provision for diminution of Investments		20,28,423	9,36,696	—	27,42,591
3) Current Assets, Loans and Advances :					
Current Assets					
a) Closing Stock	7	3,09,20,725		3,34,56,641	
b) Sundry Debtors	8	2,43,99,518		12,91,708	
c) Cash in Hand		2,59,202		3,91,550	
d) Cash at Bank	9	4,35,886		9,90,711	
		5,60,15,331		3,61,30,610	
Loans & Advances	10	1,75,85,640		1,46,68,478	
		7,36,00,971		5,07,99,088	
Less : Current Liabilities and Provisions :					
a) Current Liabilities	11	88,20,184		2,00,51,763	
b) Provisions	12	1,23,17,393		1,26,96,277	
		2,11,37,577		3,27,48,040	
Net Current Assets			5,24,63,394		1,80,51,048
4) Deferred Tax Assets (Net) :	13		2,41,000		8,59,000
TOTAL			11,09,20,898		7,67,06,972
Significant Accounting Policies and Notes on Accounts.	20				

The Schedules referred to above form an integral part of the Balance Sheet

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 29th day of June, 2009

In terms of our report of even date
NAVIN NAYAR & COMPANY
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

On behalf of the Board
ASHEESH DABRIWAL, M.D. & C.E.O.
JANAK BHARDWAJ, Director
cum-Works Manager & C.O.O.
BUDDHADEB BASU, Independent Director
RABINDRANATH DAS, Independent Director
DR. SUBRATA HALDAR, Independent Director
ASHOK KUMAR SINGH, C.F.O.
ADINATH BANERJEE, Company Secretary
cum-Compliance Officer

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

		Current Year ended 31st March, 2009		Previous Year ended 31st March, 2008	
	Schedule	Rs.	Rs.	Rs.	Rs.
INCOME					
a) Gross Turnover on Sales	14	12,62,99,075		12,25,42,345	
Less : Excise duty & Cess recovered on Sales		<u>9,45,730</u>		<u>16,47,334</u>	
Net Turnover			12,53,53,345		12,08,95,011
b) Other Income	15		<u>32,10,443</u>		<u>9,75,822</u>
TOTAL			<u>12,85,63,788</u>		<u>12,18,70,833</u>
EXPENDITURE					
a) Consumption of Raw Materials and Stores, Spares etc.	16		7,08,98,642		7,18,00,118
b) Personnel, Operating, Manufacturing, Administrative & Other Expenses	17		<u>3,46,60,027</u>		<u>2,56,29,215</u>
c) Miscellaneous Expenses			15,28,060		19,15,652
d) Depreciation	5		<u>74,77,553</u>		<u>75,60,199</u>
e) Provision for Diminution of Investments			<u>20,28,423</u>		—
f) Decrease in Finished/ Semi-finished Goods	18		<u>3,50,330</u>		<u>34,42,681</u>
TOTAL			<u>11,69,43,035</u>		<u>11,03,47,865</u>
PROFIT BEFORE TAX			1,16,20,753		1,15,22,968
(Less) : Provision for Taxation - Current Income Tax			<u>(48,11,473)</u>		<u>(45,01,779)</u>
(Less) : Provision for Taxation - Current Fringe Benefit Tax			<u>(2,26,879)</u>		<u>(2,03,603)</u>
(Less)/Add : Adjustment of Deferred Income Tax (Liabilities)/Assets			<u>(39,000)</u>		<u>4,00,000</u>
PROFIT AFTER TAX			65,43,401		72,17,586
Add : Balance brought forward from previous year			2,06,972		91,447
(Less) : Income tax related to earlier year			<u>(496)</u>		<u>(2,061)</u>
Amount Available for Appropriations			67,49,877		73,06,972
APPROPRIATIONS					
Profit Transferred to General Reserve			66,75,268		71,00,000
Balance Carried to Balance Sheet			<u>74,609</u>		<u>2,06,972</u>
Basic and Diluted Earning Per Share of Face Value Rs. 10/- each (in Rupees)					
		19			
After & Before, Prior period & Extra-ordinary items			2.18		2.41
Significant Accounting Policies and Notes on Accounts.					
		20			

The Schedules referred to above form an integral part of the Profit and Loss Account.

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 29th day of June, 2009

In terms of our report of even date
NAVIN NAYAR & COMPANY
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

On behalf of the Board
ASHEESH DABRIWAL, M.D. & C.E.O.
JANAK BHARDWAJ, Director
cum-Works Manager & C.O.O.
BUDDHADEB BASU, Independent Director
RABINDRANATH DAS, Independent Director
DR. SUBRATA HALDAR, Independent Director
ASHOK KUMAR SINGH, C.F.O.
ADINATH BANERJEE, Company Secretary
cum-Compliance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2009

	As at 31st March, 2009 Rs.	As at 31st March, 2008 Rs.
CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before tax	1,16,20,753	1,15,22,968
Adjustments for :		
Provision for Diminution of value of Investment	20,28,423	—
Depreciation	74,77,553	75,60,199
Net (Profit) on sale of Fixed Assets	(16,625)	(4,692)
(Excess) of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)	(8,51,537)	—
Provision for Gratuity provided during the year	—	2,05,699
Net Loss/(Profit) on Sale of Investment	11,899	(1,47,935)
Demat Charges Dr. to P/L related to Investment	1,566	—
Interest & Dividend (Income)	(44,119)	(44,818)
Interest Payment	11,30,887	66,803
Operating Profit Before Working Capital Changes	2,13,58,800	1,91,58,224
Adjustments for :		
(Increase) / Decrease in trade and other receivables	(2,48,79,035)	21,37,627
Decrease / (Increase) in inventories	25,35,916	(47,98,337)
(Decrease) / Increase in trade and other payables	(1,12,31,579)	22,33,800
Cash (Used) / Inflow from Operations	(1,22,15,898)	1,87,31,314
(Less) : Income Tax & Fringe Benefit Tax Paid (Net of refunds)	(40,08,400)	(26,17,663)
NET CASH (USED) / INFLOW FROM OPERATING ACTIVITIES (A)	(1,62,24,298)	1,61,13,651
CASH FLOW FROM INVESTING ACTIVITIES :		
(Purchase) of Fixed Assets	(97,96,403)	(44,05,441)
Sale of Fixed Assets	1,10,000	8,000
Decrease in Capital Work-in-Progress	—	2,00,000
(Purchase) of Investments	(24,27,272)	(1,32,29,383)
Sale of Investments	21,92,845	1,07,12,971
(Demat Charges) Related to Investment Expenses	(1,566)	(2,460)
Interest & Dividend income earned	44,119	44,818
NET CASH (USED) IN INVESTING ACTIVITIES (B)	(98,78,277)	(66,71,495)
CASH FLOW FROM FINANCING ACTIVITIES :		
Increase/(Decrease) in Short-Term Unsecured Loan from Body Corporate	1,00,00,000	(20,00,000)
Increase/(Decrease) in Secured Loan from Bank	1,65,46,289	—
Interest (Payment)	(11,30,887)	(66,803)
NET CASH INFLOW / (USED) IN FINANCING ACTIVITIES (C)	2,54,15,402	(20,66,803)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(6,87,173)	73,75,353
CASH AND CASH EQUIVALENTS - OPENING BALANCE (DUE TO RECONCILIATION)	13,82,261	(59,93,092)
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	6,95,088	13,82,261

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 29th day of June, 2009

In terms of our report of even date
NAVIN NAYAR & COMPANY
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

On behalf of the Board
ASHEESH DABRIWAL, M.D. & C.E.O.
JANAK BHARDWAJ, Director
cum-Works Manager & C.O.O.
BUDDHADEB BASU, Independent Director
RABINDRANATH DAS, Independent Director
DR. SUBRATA HALDAR, Independent Director
ASHOK KUMAR SINGH, C.F.O.
ADINATH BANERJEE, Company Secretary
cum-Compliance Officer

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31st March, 2009		As at 31st March, 2008	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
SCHEDULE — 1				
SHARE CAPITAL				
Authorised :				
40,00,000 Equity Shares of Rs. 10/- each		<u>4,00,00,000</u>		<u>4,00,00,000</u>
Issued, Subscribed & Paid-up :				
30,00,000 Equity Shares of Rs. 10/- each				
fully paid-up in cash		<u>3,00,00,000</u>		<u>3,00,00,000</u>

SCHEDULE — 2

RESERVES AND SURPLUS

a) Securities Premium Account				
Balance as per last Account		10,00,000		10,00,000
b) General Reserve Account				
Balance as per last Account	4,55,00,000		3,84,00,000	
Add : Adjustment of Net of Deferred Tax of Transitional Provision of Opening Gratuity Liability written back	11,24,732*		—	
Add : Transferred from Profit & Loss Account	<u>66,75,268</u>		<u>71,00,000</u>	
		5,33,00,000		4,55,00,000
c) Profit & Loss Account				
Balance Carried forward		<u>74,609</u>		<u>2,06,972</u>
		<u>5,43,74,609</u>		<u>4,67,06,972</u>

(*) The effect of reversal of transitional liability of Rs. 11,24,732/- (Provision for Gratuity of Rs. 17,03,732/- less their Deferred Tax Assets of Rs. 5,79,000/-) as required by AS-15 (Revised) has been adjusted against the opening balances of the General Reserve of the Company.

SCHEDULE — 3

SECURED LOANS

Cash Credit Loan from ABN Amro Bank N.V.	<u>1,65,46,289</u>	<u>—</u>
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[The above loans are secured by hypothecation of Company's entire stock, book debts and other current assets both present and future and also secured by first charge of fixed assets of the company, equitable mortgage of factory land and building by way of collateral security.]

SCHEDULE — 4

UNSECURED LOANS

Short-term Loan from a Corporate Bodies	<u>1,00,00,000</u>	<u>—</u>
-----------------------------------------	--------------------	----------

**SCHEDULE — 5 OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2009**

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Opening As at 01.04.2008 Rs.	Addition during the year Rs.	Deduction during the year Rs.	Total As at 31.03.2009 Rs.	Opening As at 01.04.2008 Rs.	Provision During the year Rs.	Deduction during the year Rs.	Total As at 31.03.2009 Rs.	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
Freehold Land (Dhulagarh)	92,49,340	—	—	92,49,340	—	—	—	—	92,49,340	92,49,340
Factory Building (Dhulagarh)	2,32,79,672	8,38,910	—	2,41,18,582	41,39,029	19,26,247	—	60,65,276	1,80,53,306	1,91,40,643
New Electrical Installation	29,68,228	—	—	29,68,228	7,87,839	3,03,292	—	10,91,131	18,77,097	21,80,389
Furniture & Fixtures	4,01,626	—	—	4,01,626	2,14,507	33,869	—	2,48,376	1,53,250	1,87,119
Other Plant & Machinery	5,07,98,147	72,33,046	—	5,80,31,193	2,81,83,942	46,82,887	—	3,28,66,829	2,51,64,364	2,26,14,205
Computer	8,24,206	73,663	—	8,97,869	5,83,098	1,03,937	—	6,87,035	2,10,834	2,41,108
Motor Car	29,90,036	16,50,784	3,95,551	42,45,269	15,48,507	4,27,321	3,02,176	16,73,652	25,71,617	14,41,529
GRAND TOTAL :	9,05,11,255	97,96,403	3,95,551	9,99,12,107	3,54,56,922	74,77,553	3,02,176	4,26,32,299	5,72,79,808	5,50,54,333
PREVIOUS YEAR	8,61,50,511	44,05,441	44,697	9,05,11,255	2,79,38,112	75,60,199	41,389	3,54,56,922	5,50,54,333	5,82,12,399

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	Face Value	Number of Shares/Units	Value as at 31.03.2009	Number of Shares/Units	Value as at 31.03.2008
	Rs.		Rs.		Rs.
SCHEDULE — 6					
INVESTMENTS					
OTHER THAN TRADE					
LONG-TERM INVESTMENTS - Valued at Cost					
A. Quoted Equity Shares :					
Himachal Futuristic Communication Ltd.	10	22,000	8,04,004	22,000	8,04,004
Reliance Communication Limited	10	500	3,60,062	500	3,60,062
Reliance Petroleum Ltd.	10	3,000	6,05,325	3,000	6,05,325
Saksoft Limited	10	3,638	4,58,728	2,500	3,47,471
Timex Group India Ltd.	10	14,900	5,58,212	9,900	4,46,941
B. Un-quoted Units of Mutual Fund :					
Franklin India Bluechip Fund-Growth	10	107.143	12,557	107.143	12,557
Templeton India Growth Fund-Growth	10	47.981	1,743	47.981	1,743
Templeton India Treasury Management					
Account Regular Plan-Growth	1,000	17.143	27,711	17.143	27,711
HSBC Cash Fund-Growth	10	1,869.641	20,423	1,869.641	20,423
JM High Liquidity Fund-Growth	10	1,303.741	23,350	1,303.741	23,350
Fortis Money Plus Fund-Regular Growth	10	5,351.5590	63,004	5,351.5590	63,004
JM Emerging Leaders Fund-Growth Plan	10	756.4810	10,000	756.4810	10,000
JM Basic Fund-Growth Plan	10	367.1340	10,000	367.1340	10,000
Reliance Diversified Power Sector Fund-Growth	10	203.1700	10,000	203.1700	10,000
Total of Long Term Investments at Cost			29,65,119		27,42,591
(Less) : Provision for diminution in value of Investments in :					
a) Quoted Equity Shares :					
Himachal Futuristic Communication Ltd.			(6,27,785)		—
Reliance Communications Limited			(2,72,762)		—
Reliance Petroleum Ltd.			(3,19,875)		—
Saksoft Limited			(3,50,861)		—
Timex Group India Ltd.			(4,39,310)		—
b) Un-quoted Units of Mutual Fund :					
Franklin India Bluechip Fund-Growth			(1,643)		—
JM Emerging Leaders Fund-Growth Plan			(7,439)		—
JM Basic Fund-Growth Plan			(6,955)		—
Reliance Diversified Power Sector Fund-Growth			(1,793)		—
Net of Book Value of Carrying Cost of Long-term Investment			9,36,696		27,42,591
Aggregate Book value of Quoted Investments [Equity Shares]			27,86,331		25,63,803
Aggregate Book value of Unquoted Investments [Mutual Fund]			1,78,788		1,78,788
Aggregate Market value of Quoted Investments [Equity Shares]			7,75,739		15,49,175
Aggregate Market value of Unquoted Investments [Mutual Fund]			1,93,111		2,03,845
Diminution in value if any, Provided as books of accounts			20,28,423		—
Diminution in value if any, not provided for :-			Nil		9,89,571

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	Face Value	Number of Shares/Units	Value as at 31.03.2009	Number of Shares/Units	Value as at 31.03.2008
	Rs.		Rs.		Rs.
SCHEDULE — 6 (CONTD.)					
The following Current Investments were purchase and sold during the year :					
(1) Purchase of Investments during the Year					
a) Quoted Equity Shares :					
Saksoft Limited	10	1,138	1,11,257	2,500	3,47,471
Timex Group India Ltd.	10	5,000	1,11,271	9,900	4,46,941
Tata Teleservices Ltd.	10	1,00,000	22,04,744	—	—
Bilcare Limited	10	—	—	1,000	8,94,868
Himachal Futuristic Communication Ltd.	10	—	—	22,000	8,04,004
India Glycos Limited	10	—	—	10,000	27,39,200
Reliance Communications Limited	10	—	—	500	3,60,062
Reliance Petroleum Ltd.	10	—	—	3,000	6,05,325
Noida Toll Bridge Co. Ltd.	10	—	—	10,000	4,91,512
b) Un-Quoted Units of Mutual Fund :					
Franklin India Bluechip Fund-Growth	10	—	—	67.3450	10,000
Fortis Money Plus Fund-Regular Growth	10	—	—	3,44,116.4230	40,00,000
Fortis Interval Fund Monthly Plan A Growth-Red.	10	—	—	2,50,000.0000	25,00,000
JM Emerging Leaders Fund-Growth Plan	10	—	—	756.4810	10,000
JM Basic Fund-Growth Plan	10	—	—	367.1340	10,000
Reliance Diversified Power Sector Fund-Growth	10	—	—	203.1700	10,000
Total Investments Purchase During the Year (a+b)			24,27,272		1,32,29,383
(2) Investments Sold/Redeemed during the Year					
a) Quoted Equity Shares :					
Tata Teleservices Ltd.	10	1,00,000	21,92,845	—	—
Bilcare Limited	10	—	—	1,000	8,92,981
India Glycos Limited	10	—	—	10,000	25,04,410
Noida Toll Bridge Co. Ltd.	10	—	—	10,000	7,74,430
b) Un-Quoted Units of Mutual Fund :					
Fortis Interval Fund Monthly Plan A Growth-Red.	10	—	—	2,50,000.0000	25,41,150
Fortis Money Plus Fund-Regular Growth	10	—	—	3,38,764.8640	40,00,000
Total Investments Sold/Redeemed During the Year (a+b)			21,92,845		1,07,12,971

	As at 31st March, 2009		As at 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE — 7				
CLOSING STOCK (AT COST) :				
(As certified by the management)				
a) Raw Materials, Stores & Work-in-Progress etc. (At cost) :				
i) Raw Materials		1,05,43,503		1,18,03,858
ii) Components & Paints		1,06,38,605		1,03,14,350
iii) Stores, Spares & Consumables etc.		31,23,946		30,79,688
iv) Scrap Material - (at realisable value)		49,52,950		66,32,646
		2,92,59,004		3,18,30,542
b) Semi-Finished Goods (at cost)		—		4,12,650
c) Finished Goods (at lower of cost or realisable value)		2,73,738		2,11,418
d) Goods-in-transit (at purchase price)		13,87,983		10,02,031
		3,09,20,725		3,34,56,641

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.
SCHEDULE — 8		
SUNDRY DEBTORS		
Unsecured Considered Good :		
Due for more than 6 months	—	—
Other Debts	2,43,99,518	12,91,708
	<u>2,43,99,518</u>	<u>12,91,708</u>

SCHEDULE — 9

CASH AT BANK

Balance with Scheduled Banks :

a) In Current Accounts	2,77,264	8,11,556
b) In Unpaid Dividend Accounts	1,58,622	1,79,155
	<u>4,35,886</u>	<u>9,90,711</u>

SCHEDULE — 10

LOANS & ADVANCES (Unsecured Considered good) :

a) Advance recoverable in cash or in kind or for value to be received	54,51,645	21,75,616
b) Excess of Funded Value of Group Gratuity over Actuarial Valuation as per Accounting Standard - 15 (Revised)	8,51,537	—
c) Advance Payment of Central Excise Duty & Cess etc.	5,77,603	21,42,150
d) Advance Payment of West Bengal Value Added Tax	4,55,759	3,96,016
e) Advance Payment of Income Tax	94,96,403	92,04,850
f) Advance Payment of Fringe Benefit Tax	7,52,693	7,49,846
	<u>1,75,85,640</u>	<u>1,46,68,478</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31st March, 2009	As at 31st March, 2008
	Rs.	Rs.
SCHEDULE — 11		
CURRENT LIABILITIES		
a) Deferred Sales Tax	27,23,557	52,49,858
b) Outstanding dues of Micro and Small Enterprises	—	—
c) Advance from Customers (Other than Micro & Small Enterprises)	9,87,347	78,54,731
d) Trade Creditors (Other than Micro & Small Enterprises)	37,77,350	59,94,904
e) Liabilities for Expenses (Other than Micro & Small Enterprises)	11,19,218	7,16,475
f) Unclaimed Dividend	1,58,622	1,79,155
g) Tax Deducted at Sources & Service Tax Payable	54,090	56,640
	<u>88,20,184</u>	<u>2,00,51,763</u>

SCHEDULE — 12

PROVISIONS :

a) Provision for Income Tax	1,16,57,294	1,03,49,265
b) Provision for Fringe Benefit Tax	6,60,099	6,43,280
c) Provision for Gratuity	—*	17,03,732*
	<u>1,23,17,393</u>	<u>1,26,96,277</u>

SCHEDULE — 13

DEFERRED TAX ASSETS (NET) :

Deferred Tax Assets arising on account of :

a) Retirement Benefit - Provision for Gratuity	—*	5,79,000*
b) Depreciation / Profit & Loss on Fixed Assets	4,64,000	2,48,000
c) Carry Forward losses as per Income Tax Act	66,000	32,000
Deferred Tax Assets	<u>5,30,000</u>	<u>8,59,000</u>
(Less) : Deferred Tax Liability on Excess of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)	<u>(2,89,000)</u>	<u>—</u>
	<u>2,41,000</u>	<u>8,59,000</u>

(*) The Opening balance of Deferred Tax Assets on transitional provision of AS-15 (Revised) adjusted against General Reserve.

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	Current Year ended 31st March, 2009		Previous Year ended 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE — 14				
SALES :				
(a) Export Turnover of Sales :				
Gross Export Sales in Foreign Currencies of Mfg. Goods (Excluding Excise Duty & Cess)	11,89,98,188		11,08,99,054	
Less : Export Return during the Year	7,56,160		—	
Total of Net Export Sales of Manufactured Goods		11,82,42,028		11,08,99,054
Export Sales in Foreign Currencies of Traded Goods		1,31,225		—
Total of Net Export Sales (a)		11,83,73,253		11,08,99,054
(b) Domestic Turnover of Sales :				
Domestic Sales	79,00,321		1,16,27,113	
(inclusive of Excise Duty & Cess etc.)				
Less : Deduction on Samples	476		612	
(Inclusive of Excise Duty & Cess)				
Net of Domestic Sales (Inclusive of Excise Duty & Cess)		78,99,845		1,16,26,501
Scrap Sales (Inclusive of Excise Duty & Cess etc.)		25,977		16,790
Total Domestic Sales (b)		79,25,822		1,16,43,291
Gross Turnover of Sales (a+b)		12,62,99,075		12,25,42,345
Less : Actual Excise Duty & Cess recovered on above Sales Bill		9,45,730		16,47,334
		12,53,53,345		12,08,95,011

SCHEDULE — 15

OTHER INCOME :

a) Profit on Sale of DEPB Licence	19,23,228	7,47,256
b) Profit on Fluctuation of Forex Rate	2,85,293	—
c) Die Designing & Development Charges	69,276	—
d) Interest Income		
(TDS Rs. 9,501/- Previous year TDS Rs. 9,703/-)	41,925	42,818
e) Miscellaneous Receipt	19,565	8,304
f) Sundry Balances Written Back	800	22,666
g) Short-Term Capital Gain	—	1,47,935
h) Share Speculation Income	—	151
i) Exempted Dividend Income [U/s. 10(34) of I.T. Act]	2,194	2,000
j) Excess of Funded Value of Group Gratuity over Actuarial Valuation as per Accounting Standard -15 (Revised)	8,51,537	—
k) Profit on Sale of Motor Car	16,625	4,692
	32,10,443	9,75,822

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

	Current Year ended 31st March, 2009		Previous Year ended 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE — 16				
CONSUMPTION OF RAW MATERIALS AND STORES, SPARES etc.				
(a) Consumption of Raw Materials & Components (Indigenous)				
Opening Stock of :				
(i) Raw Materials	1,18,03,858		1,02,80,041	
(ii) Components	1,03,14,350		77,81,951	
(iii) Scrap Material - (Brass & Zinc)	<u>66,32,646</u>	2,87,50,854	<u>41,10,137</u>	2,21,72,129
Add : Net Amount of Purchase of Raw Materials & Components (including their Freight etc.)		<u>6,00,42,474</u>		<u>7,39,23,861</u>
		<u>8,87,93,328</u>		<u>9,60,95,990</u>
Less : Closing Stock of :				
(i) Raw Materials	1,05,43,503		1,18,03,858	
(ii) Components	1,01,34,144		1,03,14,350	
(iii) Scrap Material - (Brass & Zinc)	<u>49,52,950</u>	<u>2,56,30,597</u>	<u>66,32,646</u>	<u>2,87,50,854</u>
Net Consumption of Raw Materials & Components (Indigenous) (a)		<u>6,31,62,731</u>		<u>6,73,45,136</u>
(b) Consumption of Components (Imported)				
Import of Components during the year		19,70,540		—
Less : Closing Stock of Imported components		<u>5,04,461</u>		—
Net Consumption of Components (Imported) (b)		<u>14,66,079</u>		—
(c) Purchase of Traded Goods sold during the year				
		<u>80,593</u>		—
(d) Consumption of Stores, Spares & Consumables etc.				
Opening Stock of Stores & Spares & Packing Materials	30,79,688		22,54,244	
Add : Purchase of Stores & Spares etc. (Including their Freight)	<u>62,33,497</u>		<u>52,80,426</u>	
	<u>93,13,185</u>		<u>75,34,670</u>	
Less : Closing Stock of Stores, Spares & Packing Materials	<u>31,23,946</u>		<u>30,79,688</u>	
Net Consumption of Stores & Spares etc. (d)	<u>61,89,239</u>		<u>44,54,982</u>	
Total of Consumption of Raw Materials, Components & Stores etc. (a+b+c+d)		<u>7,08,98,642</u>		<u>7,18,00,118</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT (Contd.)

SCHEDULE — 17	Current Year ended 31st March, 2009		Previous Year ended 31st March, 2008	
	Rs.	Rs.	Rs.	Rs.
PERSONNEL, OPERATING, MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES :				
Personnel Expenses :				
a) Salary, Wages & Bonus & Gratuity etc.	88,19,282		69,56,251	
b) Employers' Contribution to PF/ESI/Welfare Fund and approved LIC Group Gratuity Fund	35,23,084		8,55,948	
c) Stipend & Staff Welfare (In Factory/Office)	13,57,045		8,01,805	
d) Staff Welfare Exp. [U/s. 115WB of I. T. Act]	2,14,139	1,39,13,550	1,78,431	87,92,435
Brass Rod Conversion charges		40,09,292		27,55,170
Travelling & Conveyance (inclusive of Motor Car & Motor Cycle Exp. [U/s. 115WB of I. T. Act])		37,87,399		32,89,939
Power & Fuel		37,79,161		34,72,928
Freight Outward Expenses (Net)		19,54,920		16,92,611
Interest Payment		11,30,887		66,803
Consultancy & Professional Charges		10,82,462		11,14,393
Packaging & Forwarding Expenses		9,13,896		7,75,250
Repairs to Plant & Machinery		7,25,123		5,37,239
Other Repair & Maintenance		4,76,081		2,87,570
Trade Fair & Exhibition Expenses		7,01,801		8,52,409
Rent, Rates & Taxes		4,07,522		3,29,470
Bank Charges		4,14,735		1,32,512
Security Service Charges		3,99,907		4,40,473
Telephone & Internet Charges [U/s. 115WB of I. T. Act]		3,32,997		2,80,264
Insurance Charges		3,17,315		3,16,456
Advertisement & Business Promotion [U/s. 115WB of I. T. Act]		2,17,115		2,16,722
Statutory Advertisement Charges		14,214		11,428
Payment & Provision to Auditors		71,650		49,444
Directors' Remuneration		10,000		10,000
Provision for Gratuity Provided		—		2,05,699
		3,46,60,027		2,56,29,215
SCHEDULE — 18				
DECREASE IN FINISHED & SEMI-FINISHED GOODS :				
Opening Stock :				
a) Finished Goods		2,11,418		36,54,099
b) Semi-Finished Goods		4,12,650		4,12,650
Adjusted Opening Stock		6,24,068		40,66,749
Less : Closing Stock :				
a) Finished Goods	2,73,738		2,11,418	
b) Semi-Finished Goods	—		4,12,650	
Adjusted Closing Stock		2,73,738		6,24,068
Net Decrease in Finished & Semi-Finished Goods		3,50,330		34,42,681
SCHEDULE — 19				
CALCULATION OF BASIC & DILUTED EARNING PER SHARES (Rs.)				
Net Profit attributable to equity Shareholders				
Net Profit available (A) : Profit After Tax		65,43,401		72,17,586
No. of weighted average equity shares Basic & Diluted (B)		30,00,000		30,00,000
There are no prior period & extra-ordinary items debited/ credited in Profit & Loss A/c. Hence After period & prior period Basic & Diluted Earning Per Share (A divided by B)		2.18		2.41

SCHEDULE "20" OF NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2009

(A) BACKGROUND :

DHP India Limited ('the Company') is a mid-sized Manufacturing Company of Engineering Goods like Domestic Pressure Regulator for LPG Cylinders (DPR's), accessories and parts thereof. The Company is ISO 9001 : 2000 certified. The Company manufactures various designs of the DPR, its parts and accessories as per requirement of domestic and export markets.

As per latest information available with the Company for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the following companies cover within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1969 :-

- [1] Dabriwala Constructions Company Private Limited.
- [2] Dolphin Properties Private Limited.
- [3] Val Exports Private Limited.

(B) SIGNIFICANT ACCOUNTING POLICIES :

1. Basis of Preparation of Financial Statements :

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting following generally accepted accounting principles in India ("Indian GAAP") and relevant provisions of the Companies Act, 1956 with the Accounting Standards prescribed in Companies (Accounting Standards) Rules, 2006, issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards, to the extent applicable. The fundamental accounting assumptions based on going concern and consistency.

2. Use of Estimates :

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent liabilities and assets as at the Balance Sheet date and reported amounts of income and expenses during the year. Actual results could differ from those estimates. Difference between the actual results and the estimates are recognized in the year in which the results are known/materialized.

3. Fixed Assets and Depreciations :

The entire Company's Fixed Assets are Tangible Assets. In accordance with the Accounting Standard 10 (AS – 10) "Accounting for Fixed Assets" issued by the Institute of Chartered Accountants of India, the accounting of fixed assets & depreciation computed as follows :-

- a) Fixed Assets are stated at their original cost of acquisition as reduced by sale/loss of any fixed assets, and accumulated depreciation thereof on such fixed assets.
- b) Addition to Fixed Assets are stated at cost of equipment, creation cost and other relative expenses and excludes Excise Duty, Education Cess, Higher & Secondary Education Cess and Input Service Tax payment elements for availing Cenvat Credit on Capital Goods, and allowable West Bengal Value Added Tax elements etc. for availing West Bengal Vat Credit on Capital Goods of such assets.
- c) Depreciation on fixed assets is calculated on prorata basis with reference to the date of addition/disposal at the written down value rates prescribed in the Schedule XIV of the Companies Act, 1956.

4. Impairment of Fixed Assets :

The carrying amounts of fixed assets are reviewed at each balance sheet date in accordance with Accounting Standards 28 on "Impairment of Assets" prescribed by Companies (Accounting Standards) Rules, 2006, to determine whether there is any indication of impairment. An assets is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an assets is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

5. Investments :

In accordance with the Accounting Standard 13 (AS – 13) "Accounting for Investments" issued by the Institute of Chartered Accountants of India, the investments are classified as long-term and current investments. As on date the all investments of the company are classified as long-term investments. The accounting treatment are as below :-

- a) Long-term investments in shares of various domestic companies and units of mutual funds are valued at cost and/or Net Assets Value (NAV) cost on First-in-First-Out (FIFO) basis. The Profit & Loss on sale of shares are also calculated on the basis of First-in-First-Out (FIFO) method. Provision for diminution in value of investments provided on each investments.
- b) The moment of current investment made during the year also disclosed.

6. Accounting for Foreign Currency Transaction :

In accordance with the Accounting Standard 11 (AS – 11) "The Effects of Changes in Foreign Exchange Rates" issued by the Institute of Chartered Accountants of India, the Transaction in Foreign Currencies are accounted for at the exchange rate prevailing on the date of transaction. Foreign Currency monetary assets at the year end are translated using closing transaction rates. Fluctuations, if any, due to change in exchange rates between the dates of transactions and date of realisation within the same financial year are adjusted against same account heads. Exchange difference arising on settlements/transactions related to earlier year are recognized separately in the Profit and Loss Account.

7. Employee Benefits :

The Company has Defined Contribution Plan for its employees Retirement Benefits comprising of Recognized Provident Fund & Pension Fund. The Company makes regular contribution to Recognized Provident Fund & Pension Fund which are fully funded and administered by the Government. Contributions are recognized in Profit and Loss Account on accrual basis.

The Company has Defined Benefit Plan of Retirement Gratuity schemes. The Company contributes to the Group Gratuity Fund under the Group Gratuity Cash Accumulated Scheme with Life Insurance Corporation of India (LIC) for future payment of gratuity liability to its employees. Consequent to the adoption of Accounting Standard 15 (AS-15 Revised) on "Employee Benefits", the liability for the Gratuity as at the year end has been determined on the basis of an independent actuarial valuation made by LIC with the method stated in AS-15 (Revised) and such liability/assets has been adjusted and provided in these Accounts.

Other Benefits like Leave Encashment benefit for any unutilized leave are charged to Profit and Loss Account on each year on accrual basis of actual payment made to employee. There are no rules for carried forward unutilized leave benefit.

8. Forward contracts in foreign currencies :

The Company uses foreign exchange forward contracts to hedge its exposure to movements in foreign currency rates. The use of these foreign exchange forward contracts reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts for trading or speculation purposes. The premium or discount on all such contracts arising at the inception of each contract is amortised as income or expenses of these particulars contracts. Any profit and loss arising on the cancellation of forward contracts is recognized as income or expenses separately for the period.

9. Provision for Current and Deferred Tax :

In accordance with the Accounting Standard 22 (AS – 22) "Accounting for Taxes" issued by the Institute of Chartered Accountants of India, the provision for current income tax and current fringe benefit tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable income (inclusive of allowable carried forward losses as per Income Tax Act, 1961) and accounting income is accounted for using the tax-rates and laws that are enacted or substantively enacted as on the balance sheet date. The Deferred Tax Assets is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future. Such assets are reviewed as at each balance sheet date to reassess realisation.

10. Prior period adjustments, extra-ordinary items and changes in Accounting Policy :

Prior period adjustments, extra-ordinary items and changes in accounting policies having material impact on the financial affairs of the Company are disclosed.

11. Provision, Contingent Liabilities and Contingent Assets :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Earning Per Share :

In accordance with the Accounting Standard 20 (AS – 20) "Earning Per Share" issued by the Institute of Chartered Accountants of India, basic earning per share is computed using the weighted average number of shares outstanding during the period.

13. Revenue Recognition :

In accordance with the Accounting Standard 9 (AS – 9) "Revenue Recognition" issued by the Institute of Chartered Accountants of India, the Revenue and expenditures are recognized as below :-

- a) Export Sales in Foreign Currencies represent the Export Sales less if any Export Returns, Sample/ Replacement etc.(inclusive of premium or discount on their forward contracts in foreign currencies materialized, if any) and the entire amount has been realized in India as per prevailing exchange rate.
- b) Domestic Sales represents Basic plus Excise Duty & Cess on invoice value of goods supplied and are recorded net of deduction on the any sample/replacement bills etc.
- c) Scrap Sales represents Basic plus Excise Duty & Cess on invoice value of scrapped Materials (Zinc Ash).
- d) The recovery of Central Sales Taxes and West Bengal Value Added Taxes etc. in Domestic Sales credited to separate account and no amount of Central Sales Tax & West Bengal Value Added Taxes etc. payment is reflected through Profit & Loss Account.
- e) Consumption of Raw Materials and Components, Stores & Spares, Imported Goods & Traded Goods etc. include invoiced value of goods purchased less trade discount, rebate, Cenvat, and West Bengal VAT Credit allowable on such purchase etc.
- f) The other heads of income & all expenditure items having a material bearing on the financial statements are recognised on mercantile & accrual basis.

14. Inventories :

In accordance with the Accounting Standard 2 (AS – 2) "Valuation of Inventories" issued by the Institute of Chartered Accountants of India, the valuation of stock summarized as below :-

- a) Stock of Raw Materials, Components & Paints, Stores & Spares and Consumables, Work-in-process Zinc Alloys are valued at cost on FIFO basis (excluding of the amount of Cenvat & West Bengal VAT Credit allowable). A separate ledger for Cenvat & West Bengal VAT Credit allowable has been maintained for proper utilization of Cenvat & West Bengal VAT Credit and the same adjusted against payment of Excise Duty and Output VAT liability on account of any Sales. Rebate of Excise Duty if any realized or receivable has been adjusted against the payment of Excise Duty.
- b) Stock on Finished Goods & Semi-Finished Goods are valued at lower of cost (excluding of the amount of Cenvat & West Bengal VAT Credit allowable) or net realisable value.
- c) Stock of Scrap Materials are valued at net realisable value.
- d) Goods-in-transit of purchase material are valued at purchase price.
- e) There is no deviation in method of valuation of stock as prescribed U/s. 145A of the Income Tax Act, 1961.

(C) NOTES ON ACCOUNTS :

1. Contingent Liability not provided for in respect of Income Tax liability of Asst. Year 1992-93 of Rs.24,457/-. The above liability may arise due to effect of tribunal order. The final revised order awaited for payment of this liability.
2. The Outstanding balances as at 31st March, 2009 in respect of certain Sundry Debtors, Creditors etc. are subject to confirmation from the respective parties.
3. Disclosure of sundry creditors, outstanding liabilities and advance from customers etc. under current liabilities is based on the information available with the company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (the Act). There are no transaction entered and delay in payment made to such suppliers. Based on above the relevant disclosures u/s. 22 of the Act are as follows :-
 - [a] Principal amount outstanding at the end of the year : Rs. NIL
 - [b] Interest amount due at the end of the year : Rs. NIL
 - [c] Interest paid to suppliers during the year : Rs. NIL
4. Quantities and valuation of finished goods are as certified by the management.
5. In the opinion of the management, as on balance sheet date, the provision for diminution of value of long-term investments is calculated on each investments as per Accounting Standard – 13 (AS-13) of Rs.20,28,423/- and the same has been charged to Profit & Loss Account.
6. Net of Foreign Exchange fluctuation gain (relating to previous year contracts and the same materialized during the year) amounting to Rs.2,85,293/- has been credited to Profit & Loss Account. [Previous Year net Loss on Foreign Exchange fluctuation amounting to Rs.48,372/- has been debited to Profit & Loss A/c.]
7. The details of forward contracts in foreign currencies made during the year are as below :-
 - (a) Forward contracts in foreign currencies made during the year of USD 1,32,000 [contract value of Rs. 61,43,680/-].
 - (b) Forward contracts in foreign currencies materialized during the year on account of realization of export sales of USD 1,18,993 [contract value of Rs. 55,38,594/-].
 - (c) Forward contracts in foreign currencies cancelled during the year of USD 13,007 [contract value of Rs. 6,05,086/-]. The net loss arising on the cancellation of such forward contract is Rs.45,634/- debited to Profit & Loss Account.
 - (d) Forward contracts in foreign currencies outstanding as on 31/03/2009 is NIL.
8. Outstanding Foreign Currency exposures remaining unhedged as at 31/03/2009 are as below :

Nature	Currency	Current year amount in Foreign currency	Previous year amount in Foreign currency
Export receivables	USD	3,82,816.40	—
— do —	GBP	55,400.00	16,669.35
Advance received against Export	USD	20,130.60	9,424.70
Advance paid against Import	CAD	48,775.00	—
Advance paid against Expenses	EURO	2,700.00	—
9. The details of deferred tax & normal income tax & fringe benefit tax provisions are as below :
 - (a) During the year, the Company recorded the cumulative net timing difference as a "Deferred Tax Assets" up to 31/03/2009 of Rs.2,41,000/-. The Net Deferred Tax Liability of Rs. 39,000/- Charged to Profit & Loss Account for the year ended 31/03/2009.
 - (b) In the current financial year Income Tax liability has been determined after taking into consideration the benefits available under the provisions of the Income Tax Act, 1961 and accordingly Rs.48,11,473/- for

Income Tax and Rs.2,26,879/- for Fringe Benefit Tax, has been provided and same is, in the opinion of the Management, adequate.

- (c) The Income-Tax assessment of the Company have been completed up to Assessment Year 2006-2007. In respect of Assessment Year 2007-2008, the assessment proceeding are in process with Assistant Commissioner of Income Tax as per Section 143(2) of the Income Tax Act, 1961.
10. **Disclosure requirements as per Accounting Standard 17 (AS – 17) “Segment Reporting” issued by the Institute of Chartered Accountants of India :**

- (a) **Information about primary business segments :** The company is primarily engaged in the business of manufacturing of Domestic Pressure Regulators for LPG Cylinder & accessories & parts thereof. Since inherent the nature of all these manufacturing items have been grouped as a single segment in the financial statement. As the Company's business activity falls within a single primary business segment the disclosure requirements of AS-17 in this regard are not applicable.

- (b) **Information about secondary business segments**

<u>Revenue by geographical markets</u>		<u>Current Year (in Rs.)</u>	<u>Previous Year (in Rs.)</u>
Sales : Domestic		79,25,822	1,16,43,291
	Export	11,83,73,253	11,08,99,054
Total Sales		12,62,99,075	12,25,42,345
Assets : Sundry Debtors –	Within India	11,50,785	—
	Outside India	2,32,48,733	12,91,708
Total Sundry Debtors		2,43,99,518	12,91,708

11. **Disclosure requirements as per Accounting Standard 18 (AS – 18) “Related Party Disclosure” issued by the Institute of Chartered Accountants of India.**

A) List of Related Parties :-

- a) **Main promoters holding more than twenty percent as substantial interest of the company and have significant influence over the activity :-**

<u>Promoters Group Name (holding more than 20%)</u>	<u>Relationship</u>
Nirmal Kumar Dabriwala (holding 32.733 %)	Father of Managing Director Sri Asheesh Dabriwal
Asheesh Dabriwal (holding 22.087%)	Managing Director of the Company

- b) **Key Management personnel & their Relatives involved in companies activities :-**

- (i) Sri Asheesh Dabriwal – Managing Director & C. E. O. of the company also serves in full time employment in the company,
- (ii) Smt. Anjum Dhandhanan – Non-Executive Director of the company (sister of Managing Director Sri Asheesh Dabriwal),
- (iii) Sri Janak Bhardwaj – Executive Director & C. O. O. of the company also serves in full time employment in the company,
- (iv) Smt. Dolly Dabriwal – Executive of the Company (Wife of Managing Director Sri Asheesh Dabriwal) and also serves in full time employment in the company.
- (v) Sri Ashok Kumar Singh – Chief Financial Officer of the company.
- (vi) Sri Adinath Banerjee – Company Secretary-cum-Compliance Officer of the company.

- c) **Enterprises where key management personnel & their relatives have substantial interest and/or significance influence :**

Dabriwala Constructions Private Limited (also constituting as “group” as per MRTP Act, 1969)

- B) The Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the board considers such transactions are in normal course of business at rates agreed between parties. Details of the transactions are as follows :-

Name of Party	Nature of Transaction	Amount (Dr.)	
Sri Asheesh Dabriwal	Salary/Leave Salary & Bonus,	Rs. 3,94,259/-	
	Employer's Cont. to EPF/FPF/EDLI etc.	Rs. 47,351/-	
	Motor Car/Telephone Facilities/Club Bill pmt. {wholly & exclusively for the purpose of business}	Rs. 4,42,278/-	Rs. 8,83,888/-
Smt. Anjum Dhandhania	Director's Sitting Fees paid		Rs. 2,500/-
Sri Janak Bhardwaj	Salary/HRA/Leave Salary & Bonus,	Rs. 9,49,375/-	
	Employer's Cont. to EPF/FPF/EDLI etc.	Rs. 1,02,742/-	
	Perquisite as per I.T. Act valued Motor Car & Telephone facilities pmt. {wholly & exclusively for the purpose of business}	Rs. 13,692/- Rs. 1,96,448/-	Rs. 12,62,257/-
Sri Janak Bhardwaj	Staff Advance : Opening as on 01.04.2008	Rs. 70,500/-	
	Add : Advance paid during the year	Rs. 70,000/-	
	Less : Advance Recovered during the year (-)	Rs. 48,000/-	
	Net of Closing staff advance as on 31.03.2009		Rs. 92,500/-
Smt. Dolly Dabriwal	Salary & Bonus	Rs. 81,098/-	
	Employer's Cont. to EPF/FPF/ESI/EDLI etc.	Rs. 13,517/-	
	Motor Car & Club Bill payment {wholly & exclusively for the purpose of business}	Rs. 1,68,513/-	Rs. 2,63,128/-
Sri Ashok Kumar Singh	Salary, Leave Salary & Bonus,	Rs. 7,16,834/-	
	Employer's Cont. to EPF/FPF/EDLI etc.	Rs. 85,766/-	Rs. 8,02,600/-
Sri Adinath Banerjee	Salary & Bonus	Rs. 37,400/-	
	Employer's Cont. to EPF/FPF/ESI/EDLI etc.	Rs. 6,242/-	Rs. 43,642/-
Dabriwala Constructions Pvt. Ltd.	Office Rent payment	Rs. 72,000/-	
	Interest on Short-term Corporate Loan payment	Rs. 3,20,548/-	Rs. 3,92,548/-
Dabriwala Constructions Pvt. Ltd.	Net of Unsecured Loan received during the year. Balance as on 31.03.09		Rs. 1,00,00,000/-

12. Employee Benefits :

- Effective from 1st April, 2008, the Company has adopted revised Accounting Standard 15 on "Employee Benefits" notified vide Companies (Accounting Standards) Rules, 2006. The effect of reversal of transitional liability of Rs. 11,24,732/- (net of relative taxes) as required by AS-15 has been adjusted against the opening balances of the General Reserve of the Company.
- Leave Encashment benefit for unutilised leave are encashed at the end of year and charged to Profit & Loss A/c. under the Head of Salary. There are no rules for any carried forward unutilised leave benefit.
- Contribution to Defined Contribution Plan recognised as Expenses for the year are as under :

Employer's Contribution to Provident Fund/Pension Fund/EDLI etc.	Rs. 8,78,866/-
Employer's Contribution to Employees State Insurance Scheme	Rs. 1,87,341/-
- The disclosure for defined benefit plans based on actuarial report of Funded with Life Insurance Corporation of India as "Gratuity Benefit" as per the Accounting Standard 15 (AS-15) as on 31st March, 2009 are given below :

Particulars	Gratuity Funded	
	(Rs.)	(Rs.)
A. Change in Defined Benefit Obligations :		
Present Value of Defined Benefit Obligations as at the beginning of the year		Nil
Current Service Cost - i) Initial Contribution for Past Service Gratuity Liabilities	21,98,232	
ii) Annual Contribution for Future Gratuity Liability	2,45,352	
iii) Liability accrued before Funding of Group Gratuity	14,580	24,58,164
Interest Cost		Nil
Benefits paid - i) by the Funded Group Gratuity Schemes	(15,150)	
ii) directly by the Employer	(14,580)	(29,730)
Actuarial (Gains)/Losses		(7,35,919)
Present Value of Defined Benefit Obligations as at the end of the year		16,92,515
B. Change in the Fair Value of Assets :		
Fair Value of the Plan Assets at the beginning of the year		Nil
Actual Return on the Plan Assets		1,15,618
Contribution paid by the Employer i) Initial Contribution for Past Service	21,98,232	
ii) Annual Contribution for Future Service	2,45,352	24,43,584
Benefit paid by the Funded Schemes		(15,150)
Actuarial Gain/(Loss) of the Plan Assets		Nil
Fair Value of the Plan Assets at the end of the year		25,44,052
C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets :		
Present Value of Defined Benefit Obligation as at the end of the year		16,92,515
Fair Value of the Plan Assets at the end of the year		25,44,052
Liability/(Assets) recognised in the Balance Sheet		(8,51,537)
D. Expenses recognised in the Profit & Loss Account :		
Current Service Cost - i) Initial Contribution for Past Service Gratuity Liabilities	21,98,232	
ii) Annual Contribution for Future Gratuity Liability	2,45,352	
iii) Liability accrued before Funding of Group Gratuity	14,580	24,58,164
Life Cover Premium paid (inclusive of Service Tax) under Gr. Gratuity Scheme		12,549
Interest Cost		Nil
Expected Return on the Plan Assets		(1,15,618)
Net Actuarial (Gains)/Losses		(7,35,919)
Total of Net Expenses recognised in the Profit & Loss Account*		16,19,176
E. Principal Actuarial Assumption used :		
Discounted Rate (per annum) Compound		8.00%
Expected Rate of Return on Plan Assets		9.00%
Rate of Salary increase (per annum)		5.00%
Mortality Rate		LIC Ultimate (1994-96)
*Note : 1) Rs. 16,19,176/- represents the net amount of Contribution paid to LIC Gr. Gratuity Plan - Rs. 24,56,133/- added the Gratuity paid by Employer - Rs. 14,580/- Less the Excess of Funded Gratuity recognised as assets of Rs. 8,51,537/-.		
2) The Expected return on Plan Assets is based on actual return as on year end of the Plan Assets. The discount rate is based on prevailing market yields on Government bonds as at the balance sheet date. This being the first year of implementation of AS-15 (Revised 2005), previous years' figures have not been furnished.		
13. Auditor's Remuneration Includes :	Current Year	Previous Year
	Rs.	Rs.
Certification Charges	16,500	4,500
Statutory Audit Fees	38,605	33,708
Tax Audit Fees	16,545	11,236
	71,650	49,444

14. Managerial Remuneration :	Current Year	Previous Year
	Rs.	Rs.
Remuneration & Benefit paid to Managing Director		
- Sri Asheesh Dabrial	8,83,888	10,81,398
Remuneration & Benefit paid to Executive Director		
- Sri Janak Bhardwaj	12,62,257	7,51,175
Sitting Fees for Board Meeting paid to Non-Executive Directors	10,000	10,000
	<u>21,56,145</u>	<u>18,42,573</u>

15. Additional information pursuant to paras 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (As amended) :

	Current Year as on 31.03.2009		Previous Year as on 31.03.2008	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
A) Opening Stock of Finished Goods & Semi-finished Goods etc. :				
a) Finished Goods - Domestic Pressure Regulator for LPG Cylinders & Parts and Accessories	11272 pcs.	2,11,418	41,978 pcs.	36,54,099
b) Semi-finished Goods--Domestic Pressure Regulator for LPG Cylinders	5000 pcs.	4,12,650	5000 pcs.	4,12,650
Total Opening Stock	<u>16272 pcs.</u>	<u>6,24,068</u>	<u>46978 pcs.</u>	<u>40,66,749</u>
B) Consumption of Raw Materials Components & Stores etc. :				
a) Raw Materials & Component consumed :				
1) Zinc Alloys (100% indigenous)	143251.870 kg.	1,53,35,876	170840.590 kg.	2,78,01,810
2) Brass-Purchased (100% indigenous)	97828.532 kg.	2,58,61,592	96,469.968 kg.	2,25,86,797
3) Brass-Conversion (100% indigenous)	148959.930 kg.	N.A.	117604.266 kg.	N.A.
4) Other Various Raw Materials & Components Consumed (each Component value is less than 10% of purchase/turnover etc. hence quantitative details not necessary to be given)				
i) Indigenous	N.A.	2,19,65,263	N.A.	1,69,56,529
ii) Imported	N.A.	14,66,079	Nil	Nil
b) Consumption of Purchase of Traded Goods (indigenous)	N.A.	80,593	Nil	Nil
c) Stores & Spares etc. consumed (100% indigenous)	N.A.	61,89,239	N.A.	44,54,982
Total Consumption		<u>7,08,98,642</u>		<u>7,18,00,118</u>
C) Production of Domestic Pressure Regulator for LPG Cylinder (DPR) & Accessories & Parts :	14,56,108 pcs.	N.A.	1363627 pcs.	N.A.
D) In-house Recovery of Scrap Material & Conversion of Scrap to Raw Materials :				
a) Zinc Ash (Scrap) Recovered during the year	1510.000 kgs.	N.A.	1875.000 kgs.	N.A.
b) Brass Scrap Recovered during the year	174505.600 kgs.	N.A.	141177.000 kgs.	N.A.
c) Brass Scrap used for Conversion of Rod	167968.000 kgs.	N.A.	132493.000 kgs.	N.A.
d) Brass Rod Conversion made during the year	148959.930 kgs.	N.A.	117604.266 kgs.	N.A.

	Current Year as on 31.03.2009		Previous Year as on 31.03.2008	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
E) Supplied to customers as free Replacement :				
Domestic Pressure Regulator & Parts etc.	1110 pcs.	N.A.	1244 pcs.	N.A.
F) Sales during the year (inclusive of Excise Duty) :				
a) Export Sales of Mfg. Goods (DPR & Parts etc.)	1371798 pcs.	11,82,42,028	1293089 pcs.	11,08,99,054
b) Export Sales of Traded Goods	N.A.	131225	Nil	Nil
c) Domestic Sales of Mfg. Goods (DPR)	85000 pcs.	78,99,845	100000 pcs.	1,16,26,501
d) Domestic Sales of Scrap (Zinc Ash)	N.A.	25,977	N.A.	16,790
Total Sales	1456798 pcs.	12,62,99,075	1393089 pcs.	12,25,42,345
G) Closing Stock of Finished Goods & Semi-finished Goods :				
a) Finished goods - Domestic Pressure Regulators for LPG Cylinders & Parts and Accessories	14472 pcs.	2,73,738	11272 pcs.	2,11,418
b) Semi-finished Goods - Domestic Pressure Regulators for LPG Cylinders	Nil	Nil	5000 pcs.	4,12,650
Total Closing Stock	14472 Pcs.	273738	16272 pcs.	6,24,068
H) Licensed & Installed Capacity :				
a) Licensed Capacity (Qty.)	N.A.	N.A.	N.A.	N.A.
b) Installed Capacity (Qty. of DPR & Parts)	4500000 pcs.p.a.**	N.A.	4500000 pcs.p.a.**	N.A.
(** As certified by the management)				
I) C.I.F. Value of Imports				
Import of Components during the year		19,70,540		Nil
Advance paid against Import of Components		19,37,343		Nil
Total C.I.F. Value of Import paid during the year		39,07,883		Nil
J) Expenditure in Foreign Currency :				
Travelling Expenses		11,06,616		11,31,147
Trade Fair & Exhibition Expenses		7,01,801		8,52,409
Testing & Certification Expenses		1,49,662		4,11,466
Bank Charges		44,848		12,573
Fees & Subscription		Nil		2,27,800
Books & Periodicals		Nil		2,314
Advance paid against Trade Exhibition Expenses		1,72,179		Nil
Total Expenditure in Foreign Currency		21,75,106		26,37,709
K) Earning in Foreign Currency :				
Export Sales of Mfg. Goods (FOB-Net of Return)		11,82,42,028		11,08,99,054
Export Sales of Traded Goods (FOB)		1,31,225		Nil
Die Development Charges Received		69,276		Nil
Reimbursement of Freight Outward Expenses		14,82,118		Nil
Sundry Balances Written Back		Nil		21,389
Total Earning in Foreign Currency		11,99,24,647		11,09,20,443

16. Previous year figures have been regrouped / rearranged wherever necessary .

17. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART (IV) OF SCHEDULE VI TO THE COMPANIES ACT, 1956.

I. REGISTRATION DETAILS :

Registration No. : 21-51555 of 1991
 Company Identification Number [CIN] : L65921WB1991PLC051555
 State Code : 021
 Balance Sheet Date : 31.03.2009

II. CAPITAL RAISED DURING THE YEAR (Amount in Rs.Thousands)

Public Issue : NIL
 Right Issue : NIL
 Bonus Issue : NIL
 Private Placement : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

(Amount in Rs.Thousands) :

Total Liabilities : 1,10,921
 Total Assets : 1,10,921

Sources of Funds :

Paid-up Capital : 30,000
 Reserves & Surplus : 54,375
 Secured Loans : 16,546
 Unsecured Loans : 10,000

Application of Funds :

Net Fixed Assets : 57,280
 Net Investments : 937
 Net Current Assets : 52,463
 Net of Deferred Tax Assets : 241
 Miscellaneous Expenditure : NIL
 Accumulated Loss : NIL

IV. PERFORMANCE OF THE COMPANY (Amount in Rs.Thousands) :

Total Income : 1,28,564
 Total Expenditure : 1,16,943
 Profit before tax : 11,621
 Profit after tax : 6,543
 Earning per Share (in Rupees) : 2.18
 Dividend Rate (%) : NIL

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY :

Product Description	Item Code No. (ITC Code)
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a) Domestic Pressure Regulator for LPG Cylinders	84818090
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b) Parts of Domestic Pressure Regulators & Accessories	84819090
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[The above Indian Trade Classification Code (ITC Code) of Products issued by Ministry of Commerce, Directorate General of Commerce Intelligence & Statistics, Kolkata-700 001.]

18. Other information required by Part II of Schedule VI of the Companies Act, 1956 are not applicable in the circumstances of the Company.

SIGNATORIES TO SCHEDULES "1" TO "20"

4E, Jain Centre,
 34A, Metcalfe Street,
 Kolkata - 700 013
 The 29th day of June, 2009

In terms of our report of even date
NAVIN NAYAR & COMPANY
 Chartered Accountants
NAVIN NAYAR
 Partner
 Membership No. 053267

On behalf of the Board
ASHEESH DABRIWAL, M.D. & C.E.O.
JANAK BHARDWAJ, Director
 cum-Works Manager & C.O.O.
BUDDHADEB BASU, Independent Director
RABINDRANATH DAS, Independent Director
DR. SUBRATA HALDAR, Independent Director
ASHOK KUMAR SINGH, C.F.O.
ADINATH BANERJEE, Company Secretary
 cum-Compliance Officer



Form of Proxy

DHP INDIA LIMITED

Registered Office : 10, Middleton Row, Kolkata - 700 071

I/We
(IN BLOCK LETTERS)

of being

a Member / Members of DHP India Limited hereby appoint

of or failing him / her of

as my / our proxy in my / our absence to attend and vote for me / us on my / our behalf at the **EIGHTEENTH ANNUAL GENERAL MEETING** of the Company to be held on Monday, 31st August, 2009 at 11.00 A.M. and / or any adjournment thereof.

As witness my / our hand(s) this day of 2009.

Signature by the said

Affix
Re. 1/-
Revenue
Stamp

Regd. Folio No.

* DP ID No.

* Client ID No.

* Applicable for investors holding shares in electronic form.

Note : 1. The Proxy must be deposited at the Registered Office of the Company at 10, Middleton Row, Kolkata - 700 071, not less than 48 hours before the time for holding the meeting.

2. The form should be signed across the stamp as per specimen signature registered with the Company



Attendance Slip

DHP INDIA LIMITED

Registered Office : 10, Middleton Row, Kolkata - 700 071

Eighteenth Annual General Meeting at the Registered Office, 10, Middleton Row, Kolkata - 700 071

Name of the attending Member / Proxy

Name of the Member
(IN BLOCK LETTERS)

Registered Folio No. * DP ID No.

No. of Shares held * Client ID. No.

I certify that I am registered shareholder / proxy for the registered shareholder of the Company.

I hereby record my presence at the Eighteenth Annual General Meeting held on Monday, 31st August, 2009.

.....
Member's / Proxy's Signature

* Applicable for investors holding shares in electronic form.

Note : Shareholders / Proxy holders desiring to attend the meeting should bring their copy of the Annual Report as the same will not be distributed again at the meeting.

(PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND OVER AT THE ENTRANCE DULY FILLED IN AND SIGNED).

BOOK - POST

If undelivered please return to :

DHP INDIA LIMITED

Regd. Office : 10, Middleton Row

Kolkata - 700 071

Phone : (033) 2229-5735/7995