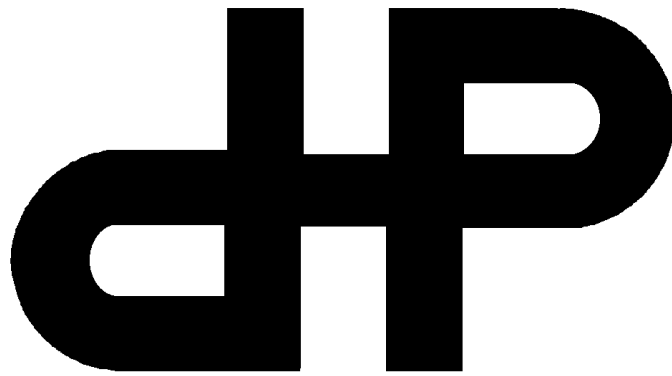


DHP INDIA LIMITED

[Company Identification Number (CIN) : L65921WB1991PLC051555]



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2009-2010

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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

: THE ROYAL BANK OF SCOTLAND N.V.
{Formerly known as ABN Amro Bank N.V.}

AUDITORS :

Statutory & Tax Auditors : M/s. NAVIN NAYAR & CO., 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, 4th Floor, Room No. 7A, Kolkata - 700 001.
Secretarial Auditors : M/s. SUSHIL TIWARI & ASSOCIATES, Company Secretaries,
31A, S. P. Mukherjee Road, Kolkata - 700 025.

REGISTRARS & SHARE TRANSFER AGENTS :

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

SHARES LISTED WITH :

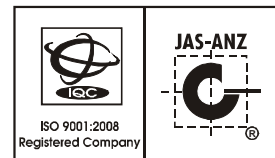
THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD. [Securities Code No.14058]
BOMBAY STOCK EXCHANGE LTD. [Securities Code No. 531306]

REGISTERED OFFICE :

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

FACTORY :

"Dhulagah Industrial Park" P.O. :- Kanduah, P. S. - Sankrail,
N. H. - 6, Howrah - 711 302, West Bengal.



NOTICE

NOTICE IS HEREBY GIVEN THAT the **Nineteenth Annual General Meeting** of the Members of DHP INDIA LIMITED (the Company) will be held on Tuesday, the 31st August, 2010 at 11.00 A.M. at CALCUTTA CHAMBER OF COMMERCE, 18H, Park Street, Stephen Court, Kolkata - 700 071, to transact the following business:-

ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March, 2010, and Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To declare dividend on Equity Shares.
- 3) To appoint Directors in place of Sri Janak Bhardwaj and Dr. Subrata Haldar, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 4) To appoint the Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 5) To consider the approval of re-appointment of Sri Asheesh Dabriwal, as Managing Director of the Company w. e. f. 20/12/2009 to 31/12/2014 (approximate 5 years) who vacates his office on 19/12/2009 and seeking re-appointment, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with schedule XIII to the Act, and accordance with Article 164 of the Articles of Association of the Company, the approval of the Company be and is hereby accorded to the re-appointment of Sri Asheesh Dabriwal, as Managing Director of the Company, for a period of approximate 5 years with effect from December 20, 2009 to December 31, 2014, as per terms & condition including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting."

"FURTHER RESOLVED THAT Mr. Asheesh Dabriwal, Managing Director of the Company shall not be subject to retirement by rotation during his tenure as Managing Director."

Registered Office :
10, Middleton Row,
Kolkata - 700 071.
Dated : 15th July, 2010

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 23rd August, 2010 to Tuesday, the 31st August, 2010 (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 21st August, 2010. will be eligible for payment of dividend, if declared in following manner :-

- (a) To those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer in physical form lodged with the Company on or before Saturday, the 21st August, 2010, or
 - (b) In respect of shares held in electronic form, to those "Deemed Members" whose names appear in the Statement of Beneficial Ownership furnished by the National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd, (CDSL) as at the end of business day hours on Saturday, the 21st August, 2010.
- 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 2010-2011 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, 2003 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, 2002 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:-

<u>Serial No.</u>	<u>Financial Year Ended</u>	<u>Date of declaration of dividend</u>	<u>Last date for claiming unpaid dividend</u>	<u>Due date for transfer to IEP Fund</u>
1.	31/03/2003	30/08/2003	29/08/2010	28/09/2010
2.	31/03/2004	30/08/2004	29/08/2011	28/09/2011
3.	31/03/2005	31/08/2005	30/08/2012	29/09/2012
4.	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 became 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.*

Explanatory Statement Under Section 173 (2) of The Companies Act, 1956

Item No. 5

The Board of Directors of the Company (the "Board"), at its meeting held at November 30, 2009 has, subject to the approval of Shareholders/Members, re-appointed Mr. Asheesh Dabriwal as Managing Director of the Company, for a further period of approximate 5 years (from 20/12/2009 to 31/12/2014), from the expiry of his present term which was expire on December 19, 2009, on the remuneration approved by the Board.

It is proposed to seek the Shareholders/Members' approval for the re-appointment of and remuneration payable to Mr. Asheesh Dabriwal as Managing Director of the Company.

The particulars of the terms of re-appointment of and remuneration payable to Mr. Asheesh Dabriwal are as below :-

- (a) Basic Salary : Rs.37,500/- per month.
- (b) Perquisites & Allowances :
 - i) Rent free furnished accommodation, if required.
 - ii) Re-imbusement of medical expenses on self & family, if needed & required.
 - iii) Payment of Club Fees in relation to promotion of the business of the company and/or any personal nature. The same will be treated as wholly & exclusively for the purpose of business of the company and not to be considered as taxable perquisite in the hands of Mr. Asheesh Dabriwal.
 - iv) Leave pay, Bonus/Exgratia, contribution to Provident Fund etc. as per Company's rule applicable to the other Managerial Personnel.
 - v) Car with or without driver, telephone at residence and mobile phone etc. provided for the purpose of Company's business. The same will be treated as wholly & exclusively for the purpose of business of the company and not to be considered as taxable perquisite in the hands of Mr. Asheesh Dabriwal.

In the event of loss or inadequacy of profits of the Company in any financial year, Mr. Asheesh Dabriwal, shall be paid above remuneration as minimum remuneration, which is permissible under Section II of Part II of Schedule XIII of the Companies Act, 1956.

The office of Managing Director may be terminated by the Company or the concerned Director by giving the one (1) month prior notice in writing. As Managing Director of the Company, Mr. Asheesh Dabriwal, shall be subject to the superintendence, control and direction of the Board, has substantial power of the management and perform the duties and exercise the powers in relation or referable thereto and he will continue to be a non-rotational director.

Mr. Asheesh Dabriwal is also the promoter of the company.

The Directors therefore recommend passing of the Ordinary Resolution contained in Item No. 5 of the accompanying Notice.

Except Mr. Asheesh Dabriwal and Mrs. Anjum Dhandhanian (Relative of Mr. Asheesh Dabriwal), none of the directors is interested in this resolution.

This also constitutes an abstract in terms of section 302 of the Companies Act, 1956.

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

Name of the Director/ Managing Director	Sri Janak Bhardwaj	Dr. Subrata Halder	Sri Asheesh Dabrialwal
Director Identification Number	DIN - 00047641	DIN - 00089655	DIN - 00044783
Date of Birth	05-07-1963	25-04-1962	04-10-1967
Date of First Appointment & their Position thereto	25-06-1998 as Director-cum-Works Manager	17-05-2003 as Non-Executive & Independent Director	26-04-1991 as Director & 20-12-2004 as Managing Director
Educational Qualification	D.M.E.	M.B.B.S.	B.Com.
Expertise in specific functional areas	Production & Quality Control (Technical)	Doctor	Industrialist
Chairmanship/Membership of Committees in this Company	None	Member of the Audit Committee of this Company	Member of the Remuneration/ Management Committee and Shareholders/Investor Grievance Committee
Present Status of directorship in this Company	Non-Promoter & Executive Director	Non-Promoter, Non- Executive & Independent Director	Promoter & Executive Director
Directorship in other Public Limited Companies	None	None	None
Chairmanship/Membership of Committees in other Public Limited Companies	None	None	None
Shareholding as on 31st March, 2010	Nil	Nil	6,52,600 Equity Shares [21.75%]

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their **Nineteenth** Annual Report together with the Audited Statement of Accounts and the Auditor's Report of your Company for the Financial Year ended 31st March, 2010.

FINANCIAL RESULTS :

The performance of the Company for the financial year ended March 31, 2010 is summarised below :-

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2010	Year ended 31.03.2009
Net of Export Turnover of Sales	1837.38	1183.73
Net of Domestic Turnover of Sales	0.65	69.80
Net of Total Turnover of Sales	1838.03	1253.53
Total Income	1877.64	1285.64
Profit Before Interest, Depreciation, Provision for Investment & Tax	436.38	222.58
Less : Interest Cost	(-) 17.71	(-) 11.31
Less : Depreciation	(-) 80.93	(-) 74.78
Add/Less : Provision written back & provision for diminution of Investments	(+) 20.12	(-) 20.28
Profit Before Tax	357.86	116.21
Less : Provision for Taxation : (a) Income Tax	(-) 131.24	(-) 48.11
(b) Fringe Benefit Tax	N.A.	(-) 2.27
(c) Adj. of Deferred Tax Assets/Liabilities (-)	(+) 4.01	(-) 0.39
Profit After Tax	230.63	65.44
Add : Profit brought forward from previous year	0.75	2.07
Add/Less (-) : Net of Income Less Taxes related to earlier year	(-) 2.39	(-)0.01
Profit Available for Appropriation	228.99	67.50
Appropriations		
Proposed Dividend on Equity Shares	(-) 30.00	Nil
Provision for Corporate Dividend Tax	(-) 5.10	Nil
Transfer to General Reserve	(-) 190.00	(-) 66.75
Surplus Carried to Balance Sheet	3.89	0.75
Net Worth (Capital employed at the year end)	1036.89	843.75
Book Value of Shares at the year end (in Rs.)	34.56	28.12

OPERATIONS

Your Company's operation during the year was satisfactory. During the year the Company manufactured 19,24,088 pcs of Domestic Pressure Regulators for LPG Cylinders & Accessories and Parts etc. This was higher by 32.14 % as compared to the preceding year.

FUTURE PROSPECTS

The year 2008 & 2009 saw a major financial melt down all over the world and consequent fall in demand in most products.

There has been a revival in most of the markets recently and your company has been able to post much improved annual performance as mentioned above. Your Directors are of opinion that the high qualities of products and continuous innovations in products as well as improvement in technology along with cost cutting efforts have to be continued to be maintained. The company is expected to continue to do well and improve further in the coming years even in the face of fierce competition

DIVIDEND AND RESERVES

Your Directors recommend a dividend of Re.1 Per share (Previous year Nil) on the Equity Share Capital of the Company for the year ended 31st March, 2010 i.e. @10% of total paid-up equity share capital. The above dividend will be payable out of current year's profit of the company. The dividend, if approved by the shareholders, will entail an out-flow of Rs.35.10 lacs (inclusive of Corporate Dividend Tax). The Reserves & Surplus thereafter will stand at Rs.736.89 lacs at a Book value of Rs.34.56 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.

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.

DIRECTORS

Sri Janak Bhardwaj & Dr. Subrata Haldar, 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.

During the year, the Board of Directors of the Company (the "Board"), at its meeting held at November 30, 2009 has, subject to the approval of Shareholders/Members, re-appointed Mr. Asheesh Dabriwal as Managing Director of the Company, for a further period of approximate 5 years (from 20/12/2009 to 31/12/2014), from the expiry of his present term which was expire on December 19, 2009, on the remuneration approved by the Board.

Brief particulars and expertise of these Directors have been given in this Report on the Corporate Governance and in the Notice of the ensuing Annual General meeting of the Company.

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, 2010 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 as at 31st March, 2010 and the profit of the Company for the year ended on that date 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, 2010 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 & Co., 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 & Co., Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the NINETEENTH ANNUAL GENERAL MEETING and are recommended for reappointment. 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, 2010. 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 2010-11 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 97.04% of total number of equity shares being held in electronic mode with NSDL and CDSL. The custodian fees for the Financial Year 2010-11 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. The Company has, during the year under review, transferred a sum of Rs.29,888.50 to Investor Education and Protection Fund, in compliance with the provisions of Section 205C of the Companies Act, 1956. The said amounts represents dividend of financial year ended 31/03/2002, which was declared on 31/08/2002 and the same amount was transferred to Investor Education & Protection Fund on 09/09/2009.

PERSONNEL

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

INDUSTRIAL RELATIONS

The industrial relations continue to be generally peaceful and cordial.

EXPANSION

During the previous financial year 2009-10, the company incurred expenses for expansion of its factory project within the same factory campus for enhancement of its capacity utilization. The expansion project will be completed in the current financial year 2010-11.

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.

For and on behalf of the Board of Directors

Place : Kolkata

Dated : 15th day of July, 2010.

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, 2010.

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, 2010

A). Power and Fuel Consumption :	Year ending 31.03.2010	Year ending 31.03.2009
1. Electricity :		
a) No. of Units (Excluding own generation units by Generator)	747200 Units	613345 Units
b) Total amount in Rs.	Rs.41,15,505	Rs.30,64,405
c) Effective Rate / Unit (Rs.)	Rs. 5.51	Rs. 4.99
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. 9,00,417	Rs. 7,14,756
B). Consumption per Unit of Production :-		
1. Electricity (in Units Excluding own generation units by Generator)	0.39 Units	0.42 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, 2010

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.1183.73 lacs to Rs.1837.38 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 ISO 9001 : 2008 certified.

(b) Total foreign exchange used and earned :

- | | | |
|--|---|-----------------|
| Total Foreign exchange earning | : | Rs.18,55,33,295 |
| Total Foreign exchange outgo (inclusive of Import) | : | Rs. 1,41,30,882 |

For and on behalf of the Board of Directors

Place : Kolkata
Dated : 15th day of July, 2010

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “II”

CORPORATE GOVERNANCE ANNUAL REPORT OF 2009-10

[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 endeavors 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, 2010, 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 Dabrialwal 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 Rabindranath Das	Dr. Subrata Haldar
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 in 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, 2010	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, 2010, its attendance and other Directorships & Chairmanships/Memberships in other companies are as under :-

Name of Directors	Categories	No. of Board Meeting attended	Last A G M attended	No. of Other Companies Directorships	No. of Other Committee Chairmanships	No. of Other Committee Memberships
Sri Asheesh Dabriwal	M.D. & C.E.O.	6	YES	None	None	None
Sri Janak Bhardwaj	E.D. & C.O.O.	6	YES	None	None	None
Smt. Anjum Dhandhanania	N.E.D.	6	N O	None	None	None
Sri Buddhadeb Basu	N.E. & I.D.	6	YES	None	None	None
Sri Rabindranath Das	N.E. & I.D.	6	YES	None	None	None
Dr. Subrata Haldar	N.E. & I.D.	6	N O	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
28.04.2009	6	6	General Board Meeting
29.06.2009	6	6	Audited Accounts Approval
30.07.2009	6	6	1st Quarter Accounts Approval
30.10.2009	6	6	Half-yearly Accounts Approval
30.11.2009	6	6	Re-appointment of Managing Director
29.01.2010	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 :-

- 1 To maintain Fair Market Practices.
- 1 To maintain the integrity of Financial records and Accounting
- 1 To develop a good External Communication with all Statutory Bodies
- 1 To develop Work Ethics with Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility and Caring.
- 1 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 Dhandhanian	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 & employee of the Company and a Chief Financial Officer (C.F.O.) – Mr. Ashok Kumar Singh, is an employee of the company. There are clear demarcations of responsibility and authority amongst the three.

- ¹ **The CEO and Managing Director** Mr. Asheesh Dabriwal 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.
- ¹ **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.
- ¹ **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 & Managing Director : The Directors Sri Janak Bhardwaj & 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. Similarly Sri Asheesh Dabriwal was also re-appointed as Managing Director w.e.f. 20/12/2009 to 31/12/2014, subject to approval of the shareholders. 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 *[Non-Executive & Lead Independent Director – having financial and accounting knowledge]*
2. Sri Rabindranath Das – Member *[Non-Executive & Independent Director]*
3. Dr. Subrata Halder – Member *[Non-Executive & Independent Director]*

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 28/04/2009; 29/06/2009; 30/07/2009; 30/10/2009 and 29/01/2010 and all of the above members were present in all five meetings held during the year ended 31/03/2010.

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 & powers of the of audit committee are as under :-

(A) Powers of Audit Committee :

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

(B) The role of the Audit Committee includes :

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing, with management, the annual financial statements before submission to the Board for approval, with particulars reference to :
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 1. Changes, if any, in accounting policies and practices and reasons for the same.
 1. Major accounting entries involving estimates based on the exercise of judgement by the management.
 1. Significant adjustments made in the financial statements arising out of audit findings.
 1. Compliance with listing and other legal requirements relating to financial statements.
 1. Disclosure of related party transactions.
 1. Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing, with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with Internal Auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the Internal Auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any areas of concern.
12. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of Whistle Blower Mechanism, in case of same is existing.
14. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
15. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

16. To review the following information :
- 1 The management discussion and analysis of financial condition and results of operations;
 - 1 Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - 1 Management letters/letter of internal control weakness issued by the Statutory Auditors;
 - 1 Internal audit report relating to internal control weaknesses; and
 - 1 The appointment, removal and terms of remuneration of Internal Auditors.

17. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of Company.

The Audit Committee's report submitted by the head of Finance & Accounts Department i.e. C.F.O. of the Company Mr. Ashok Kumar Singh. He 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 :

- 1 Review and approval of business strategies and policies, medium & short term plans.
- 1 Review of operating performance of the company.
- 1 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 Dhandhanania - Chairman *[Non-executive & Promoter Director]*
- 2 Sri Buddhadeb Basu - Member *[Non-Executive & Independent Director]*
- 3 Sri Asheesh Dabriwal - Member *[Executive & Promoter Director]*

- iii No. of meeting and attendance :** During the year the Remuneration / Management Committee has met two times on 28/04/2009 & 30/11/2009, and all of the above members were present in the Remuneration / Management Committee meeting held during the year ended 31/03/2010.

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

- 1 Performance of the Company.
- 1 Track record, potential and performance of individual managers and
- 1 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 an 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. 4,42,883	Rs. 11,72,439
		Employer's Cont. to EPF/PPF/EDLI/Adm. Charges etc.	Rs. 53,142	
		Car/Phone/Club facilities	Rs. 6,76,414	
Sri Janak Bhardwaj	Executive Director & Chief Operating Officer (C.O.O.)	Salary/Leave/allowances/Bonus	Rs. 9,83,970	Rs. 12,58,269
		Perquisite as per I.T. Act.	Rs. 18,576	
		Employer's Cont. to EPF/PPF/EDLI/Adm. Charges etc.	Rs. 1,06,862	
		Car & Phone facilities	Rs. 1,48,861	
Smt. Anjum Dhandhania	Non-Executive Director	Sitting Fees of Board Meeting	Rs. 3,000	Rs. 3,000
Sri Buddhadeb Basu	Independent Director	Sitting Fees of Board Meeting	Rs. 3,000	Rs. 3,000
Sri Rabindranath Das	Independent Director	Sitting Fees of Board Meeting	Rs. 3,000	Rs. 3,000
Dr. Subrata Halder	Independent Director	Sitting Fees of Board Meeting	Rs. 3,000	Rs. 3,000

Note : 1) The Renewal Service Contract of Sri Asheesh Dabriwal, Managing Director & C.E.O. of the Company is for approximate Five years from 20/12/2009 to 31/12/2014, however the notice period is one month.

2) Sri Janak Bhardwaj, Executive Director & C.O.O. of the Company is an 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 Dhandhania - 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 31/03/2010 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>
2008-2009	31/08/2009	Monday	11.00 A.M.	Eighteenth A.G.M.
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.

- i) **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. 31/08/2009 under the postal ballot scheme.

7. DISCLOSURES :

- i) **Materially Significant related party transaction :** There are no materially significant transactions with related parties viz., Promoters, Director 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 - 22.

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 22 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) **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. will be available in BSE website. Further all the material information which has bearing on the operations of the company is sent to all stock exchanges concerned.

- iv) **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 : Nineteenth A.G. M. dated : 31/08/2010 (Tuesday)
Time : 11.00 A.M. at Calcutta Chamber of Commerce,
18H, Park Street, Stephen Court, Kolkata – 700 071.

ii) Financial Year : The Company observes the financial year starting from 1st April to 31st March as its financial year. The Board Meeting for forthcoming quarterly, half yearly and annual financial results expected are as below :-

For adoption of quarterly results	Expected date
Quarter ending 30/06/2010	Second week of August '2010
Quarter ending 30/09/2010	Second week of November '2010
Quarter ending 31/12/2010	Second week of February '2011
Quarter ending 31/03/2011	Second week of May '2011
Year ending 31/03/2011	Second week of July '2011

iii) Book Closure Date : 23/08/2010 (Monday) to 31/08/2010 (Tuesday)

iv) Last date of Receipt of Proxies : Saturday, 21st August, 2010 (up to 2.30 P.M.) at the Registered Office of the Company.

v) Dividend : The Board of Directors, recommended the dividend of Re.1 per Equity Share for the financial year ended 31st March, 2010, for approval of the shareholders at the ensuing Annual General Meeting. If approved, the dividend will be paid on or after 31st August, 2010, but before 30th September, 2010.

vi) 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

vii) 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 2010-2011 of all above two stock exchanges paid.

viii) Demat ISIN No. with CDSL & NSDL : The ISIN of dematerialised shares of the Company is INE590D01016.

ix) 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 2010-2011 of above two depositories paid.

x) 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.

- xi) 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.29,888.50 of unclaimed dividend of F.Y. 2001-2002 to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956.
- xii) Plant Location : The factory situated at :-**
 "Dhulagarh Industrial Park, P.O.:- Kanduah, P.S.:- Sankrail, N.H.-6, Howrah - 711 302".
- xiii) Outstanding GDR/ADR/Warrants or any Convertible instruments :** NIL.
- xiv) 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.
- xv) Dematerialisation of Shares and liquidity as on 31/03/2010 :** Over 97.04 % of the Company's paid-up equity share capital has been dematerialised up to 31st March, 2010. 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).
- xvi) Market Price Data - High/Low during each month of the F.Y. 2009-2010:** 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 The Calcutta Stock Exchange's 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 2009-2010 :-

Month	BSE (Monthly High) Price per share (Rs.)	BSE (Monthly Low) Price per share (Rs.)	No. of shares traded	Turnover (Rs.)
April' 2009	15.60	13.23	1,841	26,775
May' 2009	19.60	14.60	8,470	1,43,148
June' 2009	20.30	15.25	3,861	65,856
July' 2009	16.85	14.75	1,448	22,898
August' 2009	15.90	13.70	4,476	65,398
September' 2009	18.00	13.50	6,263	97,107
October' 2009	18.25	15.00	5,051	84,440
November' 2009	21.20	16.30	15,327	2,79,160
December' 2009	23.15	18.80	20,150	4,17,225
January' 2010	27.50	19.75	12,965	3,05,576
February' 2010	26.95	19.10	5,994	1,35,101
March' 2010	31.00	21.70	60,660	17,06,648
Total No. of shares traded & volume of 2009-2010			1,46,506	33,49,332

xvii) **Distribution of Shareholding as on 31st March, 2010** : Distribution of Shareholding by number of shares pattern are as below :-

a) **Shareholding Pattern by Size (as on 31/03/2010)** :

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of shares	% of Shareholding
1 - 500	866	82.9502	1,36,338	4.5446
501 - 1,000	87	8.3333	72,206	2.4069
1,001 - 5,000	61	5.8429	1,34,202	4.4734
5,001 - 10,000	14	1.3410	92,108	3.0702
10,001 - 50,000	10	0.9579	2,06,034	6.8678
50,001 - 1,00,000	2	0.1916	1,48,812	4.9604
1,00,001 and above	4	0.3831	22,10,300	73.6767
TOTAL	1044	100.0000	30,00,000	100.0000

b) **Shareholding Pattern by Ownership (as on 31/03/2010)** :

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	31	55,125	1.838%
	Indian-Individual & HUF holding Nominal Shares Value Up to Rs. 1 lakh	988	4,15,693	13.856%
	Indian-Individual & HUF holding Nominal Shares Value above Rs. 1 lakh	6	1,97,407	6.580%
	Any Others - NRI/OCB	4	79,766	2.659%
	Clearing Member	9	3,809	0.127%
	Total of Non-Promoters holding	1038	7,51,800	25.060%
	TOTAL SHAREHOLDINGS	1044	30,00,000	100.000%

c) **Shareholding Pattern by Dematerialisation & Physical Form (as on 31/03/2010)** :

Particulars	No. of Equity Shares	% of Shareholding
Dematerialised with NSDL	27,48,557	91.62
Dematerialised with CDSL	1,62,697	5.42
Total Dematerialised Shares	29,11,254	97.04
Shares in Physical Form	88,746	2.96
Total Paid-up Equity Shares	30,00,000	100.000

xiii) 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. **WHISTLE BLOWER POLICY :** The Company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behavior. The Company has a whistle blower policy wherein the employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management to the workgroups. The confidentiality of those reporting violations is maintained and they are not subjected to any discriminatory practice.
13. **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.
14. **SECRETARIAL AUDIT REPORT :** The Practicing Company Secretary's Certificate on Secretarial Audit for the year ended 31/03/2010 are read and recorded and they are self explanatory and do not call for further comments.
15. **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 : 15th day of July, 2010.

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE - "III"

MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF 2009-2010

[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 judgments 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 :

- 1 Obtain various License and Testing Certification for Exported Goods in various Countries as well as in India for specific technical requirements and safety measurements.
- 1 High quality and safe products at affordable prices.
- 1 Ongoing product innovation and renovation.
- 1 Strong and varied range of products as per requirement of varied markets.

Weakness :

- 1 Time delays in procurement of raw materials.

Opportunities :

- 1 Potential for expansion for diversified products.
- 1 The future global market is very optimistic relating to LPG Appliances.
- 1 Growing trend for consumption of Domestic Pressure Regulators & Gas Appliances.

Threat :

- 1 Rising price of Raw Materials & Components.
- 1 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.

For and on behalf of the Board of Directors

Place : Kolkata

ASHEESH DABRIWAL

Dated : 15th day of July, 2010.

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, 2010.

For **DHP INDIA LIMITED**

Place : Kolkata

ASHEESH DABRIWAL

Dated : 15th day of July, 2010.

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, 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 etc. of the year ended 31/03/2010, and to the best of our knowledge & belief, stated that :-
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. To the best of our knowledge and belief, no transactions entered into by the company during the aforesaid period are fraudulent, illegal or violation of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to be taken for rectifying these deficiencies.
4. We have disclosed based on our most recent evaluation, wherever applicable, to the company's auditors and the audit committee of the company :-
 - a) Significant changes in internal controls during the period covered by this report, if any;
 - b) Significant changes in accounting policies during the period, if any and that the same have been disclosed in the notes to the financial statements.
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Kolkata
Dated : 15th day of July, 2010.

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, 2010 according to the provisions of -

- 1 The Companies Act, 1956 and the Rules made under that Act; and also The Companies (Amendment) Act, 2006;
- 1 The Depositories Act, 1996 and Regulations and the Byelaws framed under the Act;
- 1 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.
- 1 The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act; and
- 1 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 18th Annual General Meeting held on August 31, 2009;
 - (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

The 15th day of July, 2010

For **SUSHIL TIWARI & ASSOCIATES**

Company Secretaries

SUSHIL TIWARI

Proprietor

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, 2010**, 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

The 15th day of July, 2010

For **NAVIN NAYAR & CO.**
Firm Registration No. 317117E
Chartered Accountants
NAVIN NAYAR
Partner
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, 2010** 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, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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, 2010 ;
 - (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 15th day of July, 2010

For **NAVIN NAYAR & CO.**
Firm Registration No. 317117E
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) 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 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.2,00,00,000/- and the year end balance Rs.2,00,00,000/-.
 - (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 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, 2010 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, 2010. 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 preceding 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 THE ROYAL BANK OF SCOTLAND N.V. (Formerly known as 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 15th day of July, 2010

For **NAVIN NAYAR & CO.**
Firm Registration No. 317117E
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule	As at 31st March, 2010		As at 31st March, 2009	
		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	7,36,89,093	10,36,89,093	5,43,74,609	8,43,74,609
2) Loan Funds :					
Secured Loans	3		83,02,188		1,65,46,289
Unsecured Loans	4		2,00,00,000		1,00,00,000
TOTAL			13,19,91,281		11,09,20,898
II. APPLICATION OF FUNDS					
1) Fixed Assets :					
a) Gross Block	5	10,97,57,294		9,99,12,107	
b) Less : Depreciation		5,01,48,798		4,26,32,299	
c) Net Block		5,96,08,496		5,72,79,808	
d) Add : Capital Work-in-Progress		44,22,662		—	
			6,40,31,158		5,72,79,808
2) Investments	6				
Current & Long-Term Investment at Cost		22,03,117		29,65,119	
Less : Provision for diminution of Investments		16,002	21,87,115	20,28,423	9,36,696
3) Current Assets, Loans and Advances :					
Current Assets					
a) Closing Stock	7	4,02,93,687		3,09,20,725	
b) Sundry Debtors	8	3,22,76,763		2,43,99,518	
c) Cash in Hand		2,98,218		2,59,202	
d) Cash at Bank	9	12,64,572		4,35,886	
		7,41,33,240		5,60,15,331	
Loans & Advances	10	2,43,28,541		1,75,85,640	
		9,84,61,781		7,36,00,971	
Less : Current Liabilities and Provisions :					
a) Current Liabilities	11	69,33,110		88,20,184	
b) Provisions	12	2,63,97,663		1,23,17,393	
		3,33,30,773		2,11,37,577	
Net Current Assets			6,51,31,008		5,24,63,394
4) Deferred Tax Assets (Net) :	13		6,42,000		2,41,000
TOTAL			13,19,91,281		11,09,20,898
Significant Accounting Policies and Notes on Accounts.	22				

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

<p>4E, Jain Centre, 34A, Metcalfe Street, Kolkata - 700 013 The 15th day of July, 2010</p>	<p>In terms of our report of even date NAVIN NAYAR & CO. Firm Registration No. 317117E Chartered Accountants NAVIN NAYAR Partner Membership No. 053267</p>	<p>On behalf of the Board ASHEESH DABRIWAL, M.D. & C.E.O. JANAK BHARDWAJ, Director cum-Works Manager & C.O.O. RABINDRANATH DAS, Independent Director DR. SUBRATA HALDAR, Independent Director ASHOK KUMAR SINGH, C.F.O. ADINATH BANERJEE, Company Secretary cum-Compliance Officer</p>
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PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Current Year ended 31st March, 2010		Previous Year ended 31st March, 2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
a) Gross Turnover on Sales	14	18,38,09,042		12,62,99,075	
Less : Excise duty & Cess recovered on Sales		6,448		9,45,730	
Net Turnover			18,38,02,594		12,53,53,345
b) Other Income	15		8,03,690		23,58,906
c) Provision written back	16		20,12,421		8,51,537
d) Increase in Finished Goods	17		11,45,649		—
TOTAL			18,77,64,354		12,85,63,788
EXPENDITURE					
a) Consumption of Raw Materials and Stores, Spares etc.	18		10,06,62,196		7,08,98,642
b) Personnel, Operating, Manufacturing, Administrative & Other Expenses	19		3,98,08,881		3,58,63,197
c) Interest Paid			17,71,021		11,30,887
d) Miscellaneous Expenses			16,43,473		12,22,426
e) Depreciation	5		80,92,740		74,77,553
f) Decrease in Finished/ Semi-finished Goods	20		—		3,50,330
TOTAL			15,19,78,311		11,69,43,035
PROFIT BEFORE TAX					
			3,57,86,043		1,16,20,753
(Less) : Provision for Taxation - Current Income Tax			(1,31,24,318)		(48,11,473)
(Less) : Provision for Taxation - Current Fringe Benefit Tax			—		(2,26,879)
(Less)/Add : Adjustment of Deferred Income Tax (Liabilities)/Assets			4,01,000		(39,000)
PROFIT AFTER TAX			2,30,62,725		65,43,401
Add : Balance brought forward from previous year			74,609		2,06,972
(Less) : Income tax related to earlier year			(2,38,391)		(496)
Amount Available for Appropriations			2,28,98,943		67,49,877
APPROPRIATIONS					
Profit Transferred to General Reserve			1,90,00,000		66,75,268
Proposed Dividend		30,00,000	—	—	—
Provision for Corporate Dividend Tax		5,09,850	35,09,850	—	—
Balance Carried to Balance Sheet			3,89,093		74,609
Basic and Diluted Earning Per Share of Face Value Rs. 10/- each (in Rupees)					
After & Before, Prior period & Extra-ordinary items	21		7.69		2.18
Significant Accounting Policies and Notes on Accounts.					
	22				

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

<p>4E, Jain Centre, 34A, Metcalfe Street, Kolkata - 700 013 The 15th day of July, 2010</p>	<p>In terms of our report of even date NAVIN NAYAR & CO. Firm Registration No. 317117E Chartered Accountants NAVIN NAYAR Partner Membership No. 053267</p>	<p>On behalf of the Board ASHEESH DABRIWAL, M.D. & C.E.O. JANAK BHARDWAJ, Director cum-Works Manager & C.O.O. RABINDRANATH DAS, Independent Director DR. SUBRATA HALDAR, Independent Director ASHOK KUMAR SINGH, C.F.O. ADINATH BANERJEE, Company Secretary cum-Compliance Officer</p>
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2010

	As at 31st March, 2010		As at 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before tax		3,57,86,043		1,16,20,753
Adjustments for :				
Net of Provision for Diminution of value of Investment (written back) or provided	(20,12,421)		20,28,423	
Depreciation	80,92,740		74,77,553	
Net Loss (Profit) on sale/Discarded of Fixed Assets	2,15,639		(16,625)	
Provision for Gratuity/(Excess) of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)	4,86,405		(8,51,537)	
Net Loss on Sale of Investments	17,25,434		13,465	
Interest & Dividend (Income)	(94,942)		(44,119)	
Interest Payment	17,71,021	1,01,83,876	11,30,887	97,38,047
Operating Profit Before Working Capital Changes		4,59,69,919		2,13,58,800
Adjustments for :				
(Increase) in trade and other receivables	(80,80,780)		(2,48,79,035)	
(Increase) / Decrease in inventories	(93,72,962)		25,35,916	
(Decrease) in trade and other payables	(18,87,074)		(1,12,31,579)	
Cash Inflow / (Used) from/ (in) Operations		2,66,29,103		(1,22,15,898)
(Less) : Income Tax & Fringe Benefit Tax Paid (Net of refunds)		(98,18,060)		(40,08,400)
NET CASH INFLOW / (USED) FROM / (IN) OPERATING ACTIVITIES (A)		1,68,11,043		(1,62,24,298)
CASH FLOW FROM INVESTING ACTIVITIES :				
(Purchase) of Fixed Assets	(1,06,37,067)		(97,96,403)	
Sale of Fixed Assets	—		1,10,000	
(Increase) in Capital Work-in-Progress	(44,22,662)		—	
(Purchase) of Investments	(1,43,08,888)		(24,27,272)	
Sale of Investments	1,33,51,172		21,92,845	
(Demat Charges) Related to Investment Expenses	(5,716)		(1,566)	
Interest & Dividend income earned	94,942		44,119	
NET CASH (USED) IN INVESTING ACTIVITIES (B)		(1,59,28,219)		(98,78,277)
CASH FLOW FROM FINANCING ACTIVITIES :				
Increase in Short-Term Unsecured Loan from Body Corporate	1,00,00,000		1,00,00,000	
(Decrease)/Increase in Secured Loan from Bank	(82,44,101)		1,65,46,289	
Interest (Payment)	(17,71,021)		(11,30,887)	
NET CASH (USED)/INFLOW (IN)/FROM FINANCING ACTIVITIES (C)		(15,122)		2,54,15,402
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		8,67,702		(6,87,173)
CASH AND CASH EQUIVALENTS - OPENING BALANCE		6,95,088		13,82,261
CASH AND CASH EQUIVALENTS - CLOSING BALANCE		15,62,790		6,95,088

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 15th day of July, 2010

In terms of our report of even date
NAVIN NAYAR & CO.
Firm Registration No. 317117E
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.
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, 2010		As at 31st March, 2009	
	<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		4,00,00,000		4,00,00,000
Issued, Subscribed & Paid-up :				
30,00,000 Equity Shares of Rs. 10/- each fully paid-up in cash		3,00,00,000		3,00,00,000
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	5,33,00,000		4,55,00,000	
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	1,90,00,000		66,75,268	
		7,23,00,000		5,33,00,000
c) Profit & Loss Account				
Balance Carried forward		3,89,093		74,609
		7,36,89,093		5,43,74,609
SCHEDULE — 3				
SECURED LOANS				
Cash Credit Loan from The Royal Bank of Scotland [Formerly known as ABN Amro Bank]		83,02,188		1,65,46,289
[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		2,00,00,000		1,00,00,000

**SCHEDULE — 5 OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2010**

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Opening As at 01.04.2009 Rs.	Addition during the year Rs.	Total As at 31.03.2010 Rs.	Opening As at 01.04.2009 Rs.	Provision Deduction During the year Rs.	Total As at 31.03.2010 Rs.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
Freehold Land	92,49,340	—	92,49,340	—	—	—	92,49,340	92,49,340
Factory Building	2,41,18,582	—	2,41,18,582	60,65,276	18,05,331	78,70,607	1,62,47,975	1,80,53,306
Fixed Electrical Installation	29,68,228	—	29,68,228	10,91,131	2,61,104	13,52,235	16,15,993	18,77,097
Furniture & Fixtures	4,01,626	1,35,609	5,37,235	2,48,376	28,074	2,76,450	2,60,785	1,53,250
Plant & Machinery	5,80,31,193	1,04,66,580	6,77,05,893	3,28,66,829	52,43,189	3,75,33,777	3,01,72,116	2,51,64,364
Computer	8,97,869	34,878	9,32,747	6,87,035	89,250	7,76,285	1,56,462	2,10,834
Motor Car	42,45,269	—	42,45,269	16,73,652	6,65,792	23,39,444	19,05,825	25,71,617
GRAND TOTAL :	9,99,12,107	1,06,37,067	10,97,57,294	4,26,32,299	80,92,740	5,01,48,798	5,96,08,496	5,72,79,808
PREVIOUS YEAR	9,05,11,255	97,96,403	9,99,12,107	3,54,56,922	74,77,553	4,26,32,299	5,72,79,808	5,50,54,333
Capital Work-in-Progress							44,22,662	—

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

SCHEDULE — 6	Face Value	Number of Shares/Units	Value as at 31.03.2010	Number of Shares/Units	Value as at 31.03.2009
	<u>Rs.</u>		<u>Rs.</u>		<u>Rs.</u>
INVESTMENTS OTHER THAN TRADE					
(A) CURRENT INVESTMENTS - Valued at Cost					
Quoted Equity Shares :					
Castrol India Limited	10	1,000	4,99,985	—	—
Core Projects & Technologies Ltd.	10	1,000	1,72,762	—	—
Divis Laboratories Ltd.	10	1,000	6,45,903	—	—
NDMC Limited	10	2,000	5,79,615	—	—
Torrent Power Limited	10	1,000	3,04,852	—	—
Saksoft Limited	10	—	—	1,138	1,11,257
Timex Group India Ltd.	10	—	—	5,000	1,11,271
Total of Current Investment at Cost (A)			22,03,117		2,22,528
(B) LONG-TERM INVESTMENTS (Other than Current Investments) - Valued at Cost					
(a) Quoted Equity Shares :					
Himachal Futuristic Communication Ltd.	10	—	—	22,000	8,04,004
Reliance Communication Limited	10	—	—	500	3,60,062
Reliance Petroleum Ltd.	10	—	—	3,000	6,05,325
Saksoft Limited	10	—	—	2,500	3,47,471
Timex Group India Ltd.	10	—	—	9,900	4,46,941
(b) Un-quoted Units of Mutual Fund :					
Franklin India Bluechip Fund-Growth	10	—	—	107.143	12,557
Templeton India Growth Fund-Growth	10	—	—	47.981	1,743
Templeton India TMA Regular Plan-Growth	1,000	—	—	17.143	27,711
HSBC Cash Fund-Growth	10	—	—	1,869.641	20,423
JM High Liquidity Fund-Growth	10	—	—	1,303.741	23,350
Fortis Money Plus Fund-Regular Growth	10	—	—	5,351.5590	63,004
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 of Long Term Investments at Cost (B)					27,42,591
Total of Current & Long-term Investment at Cost [A+B]			22,03,117		29,65,119
(Less) : Provision for diminution in value of Investments in :					
a) Quoted Equity Shares :					
Torrent Power Limited			(16,002)		—
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 Current Long-term Investment			21,87,115		9,36,696
Aggregate Book value of Quoted Investments [Equity Shares]			22,03,117		27,86,331
Aggregate Book value of Unquoted Investments [Mutual Fund]			NIL		1,78,788
Aggregate Market value of Quoted Investments [Equity Shares]			24,80,950		7,75,739
Aggregate Market value of Unquoted Investments [Mutual Fund]			NIL		1,93,111
Diminution in value if any, Provided as books of accounts			16,002		20,28,423
Diminution in value if any, not provided for :-			NIL		NIL

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	Face Value	Number of Shares/Units	Value as at 31.03.2010	Number of Shares/Units	Value as at 31.03.2009
SCHEDULE — 6 (CONTD.)	<u>Rs.</u>		<u>Rs.</u>		<u>Rs.</u>
The following Investments were purchase and sold during the year :					
(1) Purchase of Current Investments during the Year					
a) Quoted Equity Shares :					
Castrol India Limited	10	1,000	4,99,985	—	—
Core Projects & Technologies Ltd.	10	10,000	17,27,618	—	—
Divis Laboratories Ltd.	10	1,000	6,45,903	—	—
Hindustan Constructions Co. Ltd.	10	3,000	3,23,361	—	—
IRB Infrastructure Developers Ltd.	10	3,000	5,04,294	—	—
IVRCL Infrastructure & Projects Ltd.	10	2,000	6,01,734	—	—
Jai Corporation Ltd.	10	6,000	19,15,954	—	—
NMDC Limited	10	4,000	17,01,557	—	—
Pantaloon Retail (India) Ltd.	10	2,000	6,04,240	—	—
Reliance Natural Resources Ltd.	10	10,000	8,94,208	—	—
Saksoft Limited	10	5,000	2,13,060	1,138	1,11,257
Satyam Computer Services Ltd.	10	10,000	7,89,211	—	—
Torrent Power Limited	10	1,000	3,04,852	—	—
Timex Group India Ltd.	10	—	—	5,000	1,11,271
Tata Teleservices Ltd.	10	—	—	1,00,000	22,04,744
b) Quoted Units of Mutual Fund :					
Benchmark Mutual Fund-NIFTY	10	8,500	35,82,911	—	—
Total Investments Purchase During the Year (a+b)			<u>1,43,08,888</u>		<u>24,27,272</u>
2) Current Investments Sold/Redeemed during the Year					
(a) Quoted Equity Shares :					
Core Projects & Technologies Ltd.	10	9,000	19,53,556	—	—
Hindustan Constructions Co. Ltd.	10	3,000	3,42,032	—	—
IRB Infrastructure Developers Ltd.	10	3,000	5,72,356	—	—
IVRCL Infrastructure & Projects Ltd.	10	2,000	6,66,010	—	—
Jai Corporation Ltd.	10	6,000	13,38,691	—	—
NMDC Limited	10	2,000	6,93,566	—	—
Pantaloon Retail (India) Ltd.	10	2,000	6,36,181	—	—
Reliance Natural Resources Ltd.	10	10,000	8,13,721	—	—
Saksoft Limited	10	5,000	1,89,156	—	—
Satyam Computer Services Ltd.	10	10,000	11,07,969	—	—
Tata Teleservices Ltd.	10	—	—	1,00,000	21,92,845
(b) Quoted Units of Mutual Fund :					
Benchmark Mutual Fund-NIFTY	10	8,500	36,85,909	—	—
Total Current Investments Sold During the Year (a+b)			<u>1,19,99,147</u>		<u>21,92,845</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

SCHEDULE — 6 (CONTD.)	Face Value	Number of Shares/Units	Value as at 31.03.2010	Number of Shares/Units	Value as at 31.03.2009
	Rs.		Rs.		Rs.
3) Long-term Investments Sold/Redeemed during the Year					
(a) Quoted Equity Shares :					
Himachal Futuristic Comm. Ltd.	10	22,000	2,51,471	—	—
Reliance Communication Ltd.	10	500	1,37,719	—	—
Reliance Petroleum Limited	10	3,000	3,78,967	—	—
Saksoft Limited	10	3,638	1,37,635	—	—
Timex Watch Limited	10	14,900	2,21,552	—	—
(b) Un-Quoted Units of Mutual Fund :					
Fortis Money Plus Fund-Regular Growth	10	5351.559	70,676	—	—
Franklin India Bluechip Fund-Growth	10	107.143	20,761	—	—
JM High Liquidity Fund - Growth	10	1303.741	32,711	—	—
JM Basic Fund - Growth Plan	10	367.134	6,682	—	—
JM Emerging Leaders Fund-Growth Plan	10	756.481	5,901	—	—
HSBC Cash Fund-Growth	10	1869.641	27,822	—	—
Reliance Diversifield Power Sector Fund-Growth	10	203.17	15,936	—	—
Templeton India Growth Fund-Growth	10	47.981	5,356	—	—
Templeton India TMA Regular Plan-Growth1000		17.143	38,836	—	—
Total Long-term Investments Sold Redeemed During the Year (a+b)			13,52,025		—
Total of Current & Long-term Investment Sold/Redeemed During the Yr.			1,33,51,172		21,92,845

SCHEDULE — 7	As at 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.
CLOSING STOCK (AT COST) :		
(As certified by the management)		
a) Raw Materials, Stores & Work-in-Progress etc. (At cost) :		
i) Raw Materials	1,34,44,502	1,05,43,503
ii) Components & Paints	1,42,87,846	1,06,38,605
iii) Stores, Spares & Consumables etc.	39,67,369	31,23,946
iv) Scrap Material - (at realisable value)	60,07,290	49,52,950
	3,77,07,007	2,92,59,004
b) Finished Goods (at lower of cost or realisable value)	14,19,387	2,73,738
c) Goods-in-transit (at purchase price)	11,67,293	13,87,983
	4,02,93,687	3,09,20,725

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.
SCHEDULE — 8		
SUNDRY DEBTORS		
Unsecured and Considered Good :		
Due for more than 6 months	—	—
Other Debts	3,22,76,763	2,43,99,518
	<u>3,22,76,763</u>	<u>2,43,99,518</u>

SCHEDULE — 9

CASH AT BANK

Balance with Scheduled Banks :

a) In Current Accounts	8,19,545	2,77,264
b) In Fixed Deposits Accounts	3,16,294	—
c) In Unpaid Dividend Accounts	1,28,733	1,58,622
	<u>12,64,572</u>	<u>4,35,886</u>

SCHEDULE — 10

LOANS & ADVANCES (Unsecured and Considered good) :

a) Advance recoverable in cash or in kind or for value to be received	50,23,201	54,51,645
b) Excess of Funded Value of Group Gratuity over Actuarial Valuation as per Accounting Standard - 15 (Revised)	3,65,132	8,51,537
c) Advance Payment of Central Excise Duty & Cess etc.	6,94,256	5,77,603
d) Advance Payment of West Bengal Value Added Tax	9,71,085	4,55,759
e) Advance Payment of Income Tax & FBT	1,64,47,123	1,02,49,096
f) Net of Income Tax & FBT (Refundable)	8,27,744	—
	<u>2,43,28,541</u>	<u>1,75,85,640</u>

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

	As at 31st March, 2010	As at 31st March, 2009
	Rs.	Rs.
SCHEDULE — 11		
CURRENT LIABILITIES		
a) Deferred Sales Tax	17,82,867	27,23,557
b) Sundry Creditors - Micro, Small & Medium Enterprises	—	—
c) Sundry Creditors (Other than Micro, Small & Medium Enterprises)	35,12,661	37,77,350
d) Advance from Customers (Other than Micro, Small & Medium Enterprises)	—	9,87,347
e) Liabilities for Expenses (Other than Micro, Small & Medium Enterprises)	12,69,044	11,19,218
f) Unclaimed Dividend	1,28,733	1,58,622
g) Tax Deducted at Sources & Service Tax Payable	2,39,805	54,090
	<u>69,33,110</u>	<u>88,20,184</u>

SCHEDULE — 12

PROVISIONS :

a) Provision for Income Tax	2,24,57,331	1,16,57,294
b) Provision for Fringe Benefit Tax	4,30,482	6,60,099
c) Proposed Dividend	30,00,000	—
d) Provision for Corporate Dividend Tax	5,09,850	—
	<u>2,63,97,663</u>	<u>1,23,17,393</u>

SCHEDULE — 13

DEFERRED TAX ASSETS (NET) :

Deferred Tax Assets arising on account of :

a) Provision for Investments	5,000	—
b) Depreciation / Profit & Loss on Fixed Assets	6,00,000	4,64,000
c) Carry Forward losses as per Income Tax Act	1,61,000	66,000
Deferred Tax Assets	7,66,000	5,30,000
(Less) : Deferred Tax Liability on Excess of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)	(1,24,000)	(2,89,000)
	<u>6,42,000</u>	<u>2,41,000</u>

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT

	Current Year ended 31st March, 2010		Previous Year ended 31st March, 2009	
	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)	18,37,37,474		11,89,98,188	
Less : Export Return during the Year	—		7,56,160	
Total of Net Export Sales of Manufactured Goods	18,37,37,474		11,82,42,028	
Export Sales in Foreign Currencies of Traded Goods	—		1,31,225	
Total of Net Export Sales (a)	18,37,37,474		11,83,73,253	
(b) Domestic Turnover of Sales :				
Domestic Sales (inclusive of Excise Duty & Cess etc.)	173		79,00,321	
Less : Deduction on Samples (Inclusive of Excise Duty & Cess)	173		476	
Net of Domestic Sales (Inclusive of Excise Duty & Cess)	—		78,99,845	
Scrap Sales (Inclusive of Excise Duty & Cess etc.)	71,568		25,977	
Total Domestic Sales (b)	71,568		79,25,822	
Gross Turnover of Sales (a+b)	18,38,09,042		12,62,99,075	
Less : Actual Excise Duty & Cess recovered on above Sales Bill	6,448		9,45,730	
	18,38,02,594		12,53,53,345	
SCHEDULE — 15				
OTHER INCOME :				
a) Profit on Sale of DEPB Licence	6,45,803		19,23,228	
b) Interest Income (TDS Rs. 4,771/- Previous year TDS Rs. 9,501/-)	49,004		41,925	
c) Long-term Capital Gain U/s. 112	35,556		—	
d) Exempted Dividend Income [U/s. 10(34) of I. T. Act]	37,300		2,194	
e) Miscellaneous Receipt	14,205		19,565	
f) Sundry Balances Written Back	21,822		800	
g) Profit on Fluctuation of Forex Rate	—		2,85,293	
h) Die Designing & Development Charges	—		69,276	
i) Profit on Sale / Discarded of Assets	—		16,625	
	8,03,690		23,58,906	
SCHEDULE — 16				
PROVISIONS WRITTEN BACK :				
i) Net of Provision for Investment Written Back	20,12,421		—	
ii) Excess of Funded Value of Group Gratuity over Actuarial Valuation as per Accounting Standard - 15 (Revised)	—		8,51,537	
	20,12,421		8,51,537	

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

	Current Year ended 31st March, 2010		Previous Year ended 31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
SCHEDULE — 17				
INCREASE IN FINISHED GOODS :				
Closing Stock of Finished Goods		14,19,387		—
Less : Opening Stock of Finished Goods		2,73,738		—
		<u>11,45,649</u>		<u>—</u>
SCHEDULE — 18				
CONSUMPTION OF RAW MATERIALS AND STORES, SPARES etc.				
(a) Consumption of Raw Materials & Components (Indigenous)				
Opening 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)	49,52,950	2,56,30,597	66,32,646	2,87,50,854
Add : Net Amount of Purchase of Raw Materials & Components (including their Freight etc.)		9,18,35,316		6,00,42,474
		<u>11,74,65,913</u>		<u>8,87,93,328</u>
Less : Closing Stock of :				
(i) Raw Materials	1,34,44,502		1,05,43,503	
(ii) Components	1,20,07,225		1,01,34,144	
(iii) Scrap Material - (Brass & Zinc)	60,07,290	3,14,59,017	49,52,950	2,56,30,597
Net Consumption of Raw Materials & Components (Indigenous) (a)		<u>8,60,06,896</u>		<u>6,31,62,731</u>
(b) Consumption of Components (Imported)				
Opening Stock of Imported Components		5,04,461		—
Add : Import of Components during the year		93,37,433		19,70,540
		<u>98,41,894</u>		<u>19,70,540</u>
Less : Closing Stock of Imported components		22,80,621		5,04,461
Net Consumption of Components (Imported) (b)		<u>75,61,273</u>		<u>14,66,079</u>
(c) Purchase of Traded Goods sold during the year (c)				
		—		80,593
(d) Consumption of Stores, Spares & Consumables etc.				
Opening Stock of Stores & Spares & Packing Materials	31,23,946		30,79,688	
Add : Purchase of Stores & Spares etc. (Including their Freight)		79,37,450		62,33,497
		<u>1,10,61,396</u>		<u>93,13,185</u>
Less : Closing Stock of Stores, Spares & Packing Materials	39,67,369		31,23,946	
Net Consumption of Stores & Spares etc. (d)		<u>70,94,027</u>		<u>61,89,239</u>
Total of Consumption of Raw Materials, Components & Stores etc. (a+b+c+d)		<u>10,06,62,196</u>		<u>7,08,98,642</u>

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

SCHEDULE — 19	Current Year ended		Previous Year ended	
	31st March, 2010		31st March, 2009	
	Rs.	Rs.	Rs.	Rs.
PERSONNEL, OPERATING, MANUFACTURING, ADMINISTRATIVE & OTHER EXPENSES :				
Personnel Expenses :				
a) Salary, Wages & Bonus & Gratuity etc.	1,00,02,626		88,19,282	
b) Employers' Contribution to PF/ESI/Welfare Fund and approved LIC Group Gratuity Fund	13,25,176		35,23,084	
c) Stipend & Staff Welfare	25,30,048	1,38,57,850	15,71,184	1,39,13,550
Power & Fuel		50,15,922		37,79,161
Brass Rod Conversion Charges		43,02,626		40,09,292
Travelling & Conveyance (inclusive of Motor Car & Motor Cycle Expenses)		38,56,316		37,87,399
Freight Outward Expenses (Net)		21,32,051		19,54,920
Consultancy & Professional Charges		15,87,015		10,82,462
Packaging & Forwarding Expenses		12,75,563		9,13,896
Trade Fair & Exhibition Expenses		9,82,384		7,01,801
Repairs to Plant & Machinery		8,28,039		7,25,123
Other Repair & Maintenance		2,98,357		4,76,081
Insurance Charges		7,12,884		3,17,315
Testing & Certificate Fees		6,11,867		2,45,035
Security Service Charges		4,76,256		3,99,907
Bank Charges		4,14,448		4,14,735
Advertisement & Business Promotion		3,47,867		2,31,329
Telephone & Internet Charges		3,13,395		3,32,997
Rent, Rates & Taxes		1,62,189		4,07,522
Payment & Provision to Auditors		57,500		71,650
Directors' Remuneration		12,000		10,000
Donation		1,10,000		1,500
Long-term Capital Loss U/s. 10 (38)		16,45,595		—
Speculation Loss		1,06,713		59,099
Loss on Discarded Plant & Machinery		2,15,639		—
Provision for Gratuity Provided		4,86,405		—
Provision for Diminution of Investment		—		20,28,423
		3,98,08,881		3,58,63,197
SCHEDULE — 20				
DECREASE IN FINISHED & SEMI-FINISHED GOODS :				
Opening Stock :				
a) Finished Goods		—		2,11,418
b) Semi-Finished Goods		—		4,12,650
Adjusted Opening Stock		—		6,24,068
Less : Closing Stock of Finished Goods		—		2,73,738
Net Decrease in Finished & Semi-Finished Goods		—		3,50,330
SCHEDULE — 21				
CALCULATION OF BASIC & DILUTED EARNING PER SHARES (Rs.)				
Net Profit attributable to equity Shareholders				
Net Profit available (A) : Profit After Tax		2,30,62,725		65,43,401
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)		7.69		2.18

**SCHEDULE "22" OF NOTES ON ACCOUNTS ANNEXED TO AND
FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2010****(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 etc. The Company is ISO 9001 : 2008 certified. The Company manufactures various designs of the DPR, its parts and accessories as per requirement of domestic and export markets.

During the previous financial year 2009-10, the company incurred expenses for expansion of its factory project within the same factory campus for enhancement of its capacity utilization. The expansion project will be completed in the current financial year 2010-11.

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.

- d) Depreciation on fixed assets is calculated on pro-rata 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 current investments and long-term investments. As on date the all investments of the company are classified as current investments. The accounting treatments are as below :-

- a) Current investments in shares of various domestic companies are valued at 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. Provisions for diminution in value of current investments are also provided on each investment.
- b) 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 and redemption of mutual funds are also calculated on the basis of First-in-First-Out (FIFO) method. Provision for diminution in value of such long term investments are also provided on each investment.
- d) The moment of current and long term investment made during the year are 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 the same account heads. Exchange differences 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 particular 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 Export Returns, if any, 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 any sample/replacement bills etc.

- d) Scrap Sales represents Basic plus Excise Duty & Cess on invoice value of scrapped Materials (Zinc Ash & Zinc Dross etc.).
- 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 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) Stocks 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.
- d) Stocks 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, 2010 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 MSMED 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 :-

<u>Sr.</u> <u>No.</u>	<u>Particulars</u>	<u>As at</u>	
		<u>31.3.2010</u>	<u>31.3.2009</u>
1.	Principal amount due and remaining unpaid	Rs. NIL	Rs. NIL
2.	Interest due on (1) above and unpaid interest	Rs. NIL	Rs. NIL
3.	Interest paid on all delayed payments under the MSMED Act.	Rs. NIL	Rs. NIL
4.	Payment made beyond the appointed day during the year	Rs. NIL	Rs. NIL
5.	Interest due and payable for the period of delay other than (3) above	Rs. NIL	Rs. NIL
6.	Interest accrued and remaining unpaid	Rs. NIL	Rs. NIL
7.	Amount of further interest remaining due and payable in succeeding years	Rs. NIL	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 current investments is calculated on each investments as per Accounting Standard - 13 (AS-13) of Rs.16,002/- and the same has been charged to Profit & Loss Account.
- 6 In accordance with Accounting Standard 11 (Revised) the Net of Foreign Exchange fluctuation loss (relating to previous year contracts and the same materialized during the year) amounting to Rs.4,27,171/- has been debited to Profit & Loss Account. [Previous Year a net Gain of Foreign Exchange fluctuation amounting to Rs.2,85,293/- has been credited 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 GBP 2,08,000 [contract value of Rs. 1,62,74,095/-].
 - (b) Forward contracts in foreign currencies materialized during the year on account of realization of export sales of GBP 2,08,000 [contract value of Rs.1,62,74,095/-].
 - (c) Forward contracts in foreign currencies outstanding as on 31/03/2010 is NIL.

8 Outstanding Foreign Currency exposures remaining unhedged as at 31/03/2010 are as below :-

Nature	Currency	Current year amount in Foreign currency	Previous year amount in Foreign currency
Export receivables	USD	6,45,717.06	3,82,816.40
— do—	GBP	40,625.00	55,400.00
Advance paid against Expenses	EURO	3,915.00	2,700.00
Advance received against Export	USD	— —	20,130.60
Advance paid against Import	CAD	— —	48,775.00

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 31/03/2010 of Rs.6,42,000/-. The Net Deferred Tax Assets of Rs. 4,01,000/- charged to Profit & Loss Account for the year ended 31/03/2010.
- (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.1,31,24,318/- for Income Tax, has been provided and same is, in the opinion of the Management, adequate.
- (c) The Income-Tax assessment of the Company has been completed up to Assessment Year 2007-2008. No other assessment proceeding are in process or in pending with any authority as per Section 143(2) or any other provisions 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 etc. 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	71,568	79,25,822
Export	18,37,37,474	11,83,73,253
Total Sales	18,38,09,042	12,62,99,075
Assets : Sundry Debtors - Within India	6,61,722	11,50,785
Outside India	3,16,15,041	2,32,48,733
Total Sundry Debtors	3,22,76,763	2,43,99,518

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>
Nimal Kumar Dabriwala (holding 32.733 %)	Father of Managing Director Sri Asheesh Dabriwal
Asheesh Dabriwal (Self holding 21.75% & on behalf of "M/s. Asheesh Dabriwal & Sons (HUF)" holding 0.337%, i.e. total 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 Dhandhanania - 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. 4,42,883/-	
	Employer's Cont. to EPF/PPF/EDLI etc.	Rs. 53,142/-	
	Motor Car/Telephone Facilities/Club Bill pmt. {wholly & exclusively for the purpose of business}	Rs. 6,76,414/-	Rs. 11,72,439/-
Smt. Anjum Dhandhanika	Director's Sitting Fees paid		Rs. 3,000/-
Sri Janak Bhardwaj	Salary/HRA/Leave Salary & Bonus	Rs. 9,83,970/-	
	Employer's Cont. to EPF/PPF/EDLI etc.	Rs. 1,06,862/-	
	Perquisite as per Income Tax Act	Rs. 18,576/-	
	Motor Car & Telephone facilities pmt. {wholly & exclusively for the purpose of business}	Rs. 1,48,861/-	Rs. 12,58,269/-
Sri Janak Bhardwaj	Staff Advance : Opening as on 01.04.2009	Rs. 92,500/-	
	Add : Advance paid during the year	Rs. 70,000/-	
	Less : Advance Recovered during the year (-)	Rs. 66,000/-	
	Net of Closing staff advance as on 31.03.2010		Rs. 96,500/-
Smt. Dolly Dabriwal	Salary & Bonus	Rs. 85,652/-	
	Employer's Cont. to EPF/PPF/ESI/EDLI etc.	Rs. 14,262/-	
	Motor Car & Club Bill payment {wholly & exclusively for the purpose of business}	Rs. 1,39,424/-	Rs. 2,39,338/-
Sri Ashok Kumar Singh	Salary, Leave Salary & Bonus,	Rs. 7,52,675/-	
	Employer's Cont. to EPF/PPF/EDLI etc.	Rs. 90,035/-	Rs. 8,42,710/-
Sri Adinath Banerjee	Salary & Bonus	Rs. 39,600/-	
	Employer's Cont. to EPF/PPF/ESI/EDLI etc.	Rs. 6,616/-	Rs. 46,216/-
Dabriwala Constructions Pvt. Ltd.	Office Rent payment	Rs. 42,000/-	
	Interest on Short-term Corporate Loan payment	Rs. 9,44,041/-	Rs. 9,86,041/-
Dabriwala Constructions Pvt. Ltd.	Unsecured Loan : Opening as on 01.04.2009	Rs. 1,00,00,000/-	
	Add : Further Loan received during the year	Rs. 1,00,00,000/-	
	Add : Interest accrued during the year	Rs. 9,44,041/-	
	Less : Interest paid during the year (-)	Rs. 9,44,041/-	
	Net of Closing Unsecured Loan as on 31.03.2010		Rs. 2,00,00,000/-

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.
- 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 :

Particulars	Current Year	Previous Year
Employer's Contribution to Provident Fund/Pension Fund/EDLI etc.	Rs. 9,69,738/-	Rs. 8,78,866/-
Employer's Contribution to Employees State Insurance Scheme	Rs. 2,09,360/-	Rs. 1,87,341/-

d) 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, 2010 are given below :

Particulars	Gratuity	Gratuity
	(Funded-Rs.)	(Funded-Rs.)
	Y.E. 31.3.10	Y.E. 31.3.09
A. Change in Present Value of Defined Benefit Obligations :		
Present Value of Defined Benefit Obligations as at the beginning of the year	16,92,515	—
Interest Cost	1,32,477	—
Current Service Cost	1,70,090	2,45,352
Benefits paid - i) by the Funded Group Gratuity Schemes	(59,054)	(15,150)
ii) directly by the Employer	—	(14,580)
Net Actuarial (Gains)/Losses recognised during the year	5,49,914	14,76,893
Present Value of Defined Benefit Obligations as at the end of the year	24,85,942	16,92,515
B. Change in the Fair Value of Plan Assets :		
Fair Value of the Plan Assets at the beginning of the year	25,44,052	—
Expected/Actual Return on the Plan Assets	2,37,460	1,15,618
Contribution paid by the Employer to under Group Gratuity Fund	1,28,616	24,43,584
Benefit paid by the Funded Schemes from Group Gratuity Fund	(59,054)	(15,150)
Actuarial Gain/ (Loss) of the Plan Assets	—	—
Fair Value of the Plan Assets at the end of the year	28,51,074	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	24,85,942	16,92,515
Fair Value of the Plan Assets at the end of the year	28,51,074	25,44,052
Liability/(Assets) recognised in the Balance Sheet as "Current Assets"	(3,65,132)	(8,51,537)
D. Expenses recognised in the Profit & Loss Account :		
Current Service Cost	1,70,090	2,45,352
Life Cover Premium paid (inclusive of Service Tax) under Group Gratuity Fund	16,640	12,549
Interest Cost	1,32,477	—
Expected / Actual Return on the Plan Assets	(2,37,460)	(1,15,618)
Net Actuarial (Gains)/Losses recognised during the year	5,49,914	14,76,893
Total of Net Expenses recognised in the Profit & Loss Account	6,31,661	16,19,176
E. Investment Details (% of Total Invested) :		
Life Insurance Corporation of India - Insurance Policies	100.00%	100.00%
F. Principal Actuarial Assumption used :		
Discounted Rate (per annum) Compound	8.00%	8.00%
Expected Rate of Return on Plan Assets	9.15%	9.00%
Rate of Salary increase (per annum)	6.50%	5.00%
Mortality Rate	LIC Ultimate (1994-96)	
DEBITED IN PROFIT & LOSS ACCOUNT		
Total of Employers Contribution paid to Group Gratuity Fund	1,45,256	24,56,133
Total of Gratuity paid by Company	—	14,580
Add/Less (-) Net of Provision for Gratuity Debited/Credited (-) i.e. recognised assets	4,86,405	(8,51,537)
	6,31,661	16,19,176

13. Auditor's Remuneration Includes :	Current Year	Previous Year
	Rs.	Rs.
Certification Charges	7,500	16,500
Statutory Audit Fees	35,000	38,605
Tax Audit Fees	15,000	16,545
	57,500	71,650

14. Managerial Remuneration (other than Accrual Gratuity) :					
		Current Year		Previous Year	
		Rs.		Rs.	
Remuneration & Benefit paid to Managing Director					
- Sri Asheesh Dabriwal		11,72,439		8,83,888	
Remuneration & Benefit paid to Executive Director					
- Sri Janak Bhardwaj		12,58,269		12,62,257	
Sitting Fees for Board Meeting paid to Non-Executive Directors		12,000		10,000	
		<u>24,42,708</u>		<u>21,56,145</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		Previous Year	
		as on 31.03.2010		as on 31.03.2009	
		<u>Quantity</u>	<u>Value (Rs.)</u>	<u>Quantity</u>	<u>Value (Rs.)</u>
A) Opening Stock of Finished Goods & Semi-finished Goods etc. :					
a) Finished Goods - Domestic Pressure Regulator for LPG Cylinders & Parts and Accessories	14472 pcs.	2,73,738		11272 pcs.	2,11,418
b) Semi-finished Goods - Domestic Pressure Regulator for LPG Cylinders	N.A.	N.A.		5000 pcs.	4,12,650
Total Opening Stock	<u>14472 pcs.</u>	<u>2,73,738</u>		<u>16272 pcs.</u>	<u>6,24,068</u>
B) Consumption of Raw Materials Components & Stores etc. :					
a) Raw Materials & Component consumed :					
1) Zinc Alloys (100% indigenous)	215289.950 kg.	2,35,01,524		143251.870 kg.	1,53,35,876
2) Brass-Purchased (100% indigenous)	128142.950 kg.	2,86,95,762		97828.532 kg.	2,58,61,592
3) Brass-Conversion (100% indigenous)	170505.700 kg.	N.A.		148959.930 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.	3,38,09,610		N.A.	2,19,65,263
ii) Imported	N.A.	75,61,273		N.A.	14,66,079
b) Consumption of Purchase of Traded Goods (indigenous)	N.A.	N.A.		N.A.	80,593
c) Stores & Spares etc. consumed (100% indigenous)	N.A.	70,94,027		N.A.	61,89,239
Total Consumption		<u>10,06,62,196</u>			<u>7,08,98,642</u>
C) Production of Domestic Pressure Regulator for LPG Cylinder (DPR) & Part and Accessories :	<u>19,24,088 pcs.</u>	N.A.		<u>14,56,108 pcs.</u>	N.A.
D) In-house Recovery of Scrap Material & Conversion of Scrap to Raw Materials :					
a) Zinc Ash (Scrap) Recovered during the year	1140.000 kg.	N.A.		1510.000 kgs.	N.A.
b) Zinc Dross (Scrap) Recovered during the year	1010.000 kg.	N.A.		N.A.	N.A.
c) Brass Scrap Recovered during the year	201493.000 kg.	N.A.		174505.600 kgs.	N.A.
d) Brass Scrap used for Conversion of Rod	193391.00 kg.	N.A.		167968.000 kgs.	N.A.
e) Brass Rod Conversion made during the year	170505.700 kg.	N.A.		148959.930 kgs.	N.A.

	Current Year as on 31.03.2010		Previous Year as on 31.03.2009	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
E) Supplied to customers as free Replacement :				
Domestic Pressure Regulator & Parts etc.	145 pcs.	N.A.	1110 pcs.	N.A.
F) Sales during the year (inclusive of Excise Duty) :				
a) Export Sales of Mfg. Goods (DPR & Parts etc.)	1906429 pcs.	18,37,37,474	1371798 pcs.	11,82,42,028
b) Export Sales of Traded Goods	N.A.	N.A.	N.A.	1,31,225
c) Domestic Sales of Mfg. Goods (DPR)	N.A.	N.A.	85000 pcs.	78,99,845
d) Domestic Sales of Scrap (Zinc Ash/Dross)	N.A.	71,568	N.A.	25,977
Total Sales	1906429 pcs.	18,38,09,042	1456798 pcs.	12,62,99,075
G) Closing Stock of Finished Goods :				
Finished goods - Domestic Pressure Regulators for LPG Cylinders & Parts and Accessories	31986 pcs.	14,19,387	14472 pcs.	2,73,738
Total Closing Stock	31986 pcs.	14,19,387	14472 Pcs.	2,73,738
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)				
		Current Year		Previous Year
		Rs.		Rs.
I) C.I.F. Value of Imports :				
Import of Components during the year		83,68,327		19,70,540
Import of Machinery during the year		30,20,564		N.A.
Advance paid against Import of Components		N.A.		19,37,343
Total C.I.F. Value of Import paid during the year		1,13,88,891		39,07,883
J) Expenditure in Foreign Currency :				
Travelling Expenses		8,72,551		11,06,616
Trade Fair & Exhibition Expenses		9,82,384		7,01,801
Testing & Certification Expenses		5,35,188		1,49,662
Bank Charges		63,191		44,848
Books & Periodicals		29,700		Nil
Advance paid against Trade Exhibition Expenses		2,58,977		1,72,179
Total Expenditure in Foreign Currency		27,41,991		21,75,106
K) Earning in Foreign Currency :				
Export Sales of Mfg. Goods (FOB-Net of Return)		18,37,37,474		11,82,42,028
Export Sales of Traded Goods (FOB)		N.A.		1,31,225
Die Development Charges Received		N.A.		69,276
Reimbursement of Freight Outward Expenses		17,95,821		14,82,118
Total Earning in Foreign Currency		18,55,33,295		11,99,24,647

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 : 31.03.2010

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 : 1,31,991
 Total Assets : 1,31,991

Sources of Funds :

Paid-up Capital : 30,000
 Reserves & Surplus : 73,689
 Secured Loans : 8,302
 Unsecured Loans : 20,000

Application of Funds :

Net Fixed Assets : 64,031
 Net Investments : 2,187
 Net Current Assets : 65,131
 Net of Deferred Tax Assets : 642
 Miscellaneous Expenditure : NIL
 Accumulated Loss : NIL

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

Total Income : 1,87,764
 Total Expenditure : 1,51,978
 Profit before tax : 35,786
 Profit after tax : 23,063
 Earning per Share (in Rupees) : 7.69
 Dividend Rate (%) : 10%

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

Product Description	Item Code No. (ITC Code)
---------------------	--------------------------

a) Domestic Pressure Regulator for LPG Cylinders	84818090
b) Parts of Domestic Pressure Regulators & Accessories	84819090
c) Articles of Brass & Others used for DPR's	74199930

[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 "22"

<p>4E, Jain Centre, 34A, Metcalfe Street, Kolkata - 700 013 The 15th day of July, 2010</p>	<p>In terms of our report of even date NAVIN NAYAR & CO. Firm Registration No. 317117E Chartered Accountants NAVIN NAYAR Partner Membership No. 053267</p>	<p>On behalf of the Board ASHEESH DABRIWAL, M.D. & C.E.O. JANAK BHARDWAJ, Director cum-Works Manager & C.O.O. RABINDRANATH DAS, Independent Director DR. SUBRATA HALDAR, Independent Director ASHOK KUMAR SINGH, C.F.O. ADINATH BANERJEE, Company Secretary cum-Compliance Officer</p>
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Form of Proxy

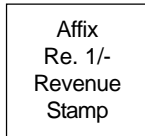
DHP INDIA LIMITED

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 **NINETEENTH ANNUAL GENERAL MEETING** of the Company to be held on Tuesday, 31st August, 2010 at 11.00 A.M. and / or any adjournment thereof.

As witness my / our hand(s) this day of 2010.

Signature by the said



Regd. Folio No.
 * DP ID No.
 * Client ID No.

* Applicable for investors holding shares in electronic form.

- Note :
1. The Proxy Form 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

Nineteenth Annual General Meeting at the Calcutta Chamber of Commerce, 18H, Park Street, 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 Nineteenth Annual General Meeting held on Tuesday, 31st August, 2010.

.....
 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