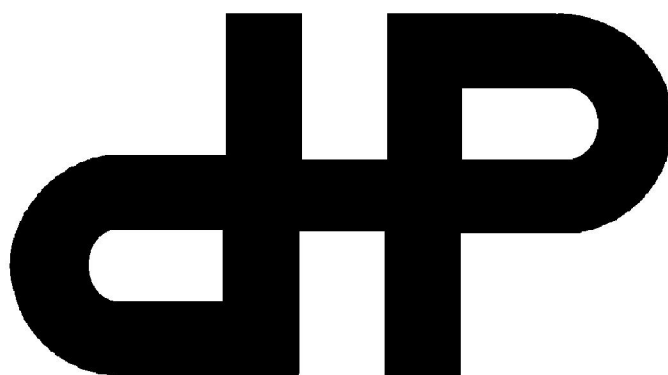


# **DHP INDIA LIMITED**

[ Company Identification Number (CIN) : L65921WB1991PLC051555 ]



**TWENTIETH  
ANNUAL REPORT  
AND ACCOUNTS  
2010-2011**

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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)
DR. SUBRATA HALDAR	: Non-Executive & Independent Director (DIN – 00089655)
VIJAY SWAMINATHAN	: Non-Executive & Independent Director (DIN – 03505029)

**COMMITTEES OF THE BOARD :**

**Audit Committee :**

BUDDHADEB BASU	: Chairman
DR. SUBRATA HALDAR	: Member
VIJAY SWAMINATHAN	: 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.}
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**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 :**

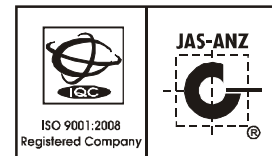
THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD. [Securities Code No.14058]  
BOMBAY STOCK EXCHANGE LTD. [Securities Code No. 531306]

**REGISTERED OFFICE :**

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

**FACTORY :**

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



## NOTICE

NOTICE IS HEREBY GIVEN THAT the **Twentieth Annual General Meeting** of the Members of DHP INDIA LIMITED (the Company) will be held on Friday, the 2nd September, 2011 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 Balance Sheet as at March 31, 2011 and the Profit & Loss Account and Cash Flow Statement for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint Directors in place of Sri Buddhadeb Basu and Smt. Anjum Dhandhanian, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

### SPECIAL BUSINESS

- 4) To appoint Sri Vijay Swaminathan, a Director of the Company who vacates his office at this Annual General Meeting and, if thought fit, to pass with or without modification the following Resolution as an **Ordinary Resolution** of which the prescribed notice has been received by the Company, Sri Vijay Swaminathan having filed with the Company his consent to act as Director, if appointed :

“RESOLVED THAT Sri Vijay Swaminathan be and is hereby appointed a Director of the Company.”

Registered Office :  
10, Middleton Row,  
Kolkata – 700 071.  
Dated : 15th July, 2011

By Order of the Board of Directors

**ADINATH BANERJEE**  
*Company Secretary-cum-Compliance Officer*

### NOTES :

- 1) **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,**
- 2) The Explanatory Statement setting out the material facts concerning Special Business in respect of item No. 4 of the accompanying Notice as required by Section 173 of the Companies Act, 1956, is annexed hereto.
- 3) In terms of Articles 126 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Sri Buddhadeb Basu and Smt. Anjum Dhandhanian, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.



- 4) Brief resume of Directors proposed to be appointed as per item No.2 & 4 as above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 27th August, 2011 to Friday, the 2nd September, 2011 (both days inclusive).
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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 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.
- 11) 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.
- 12) 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 2011-2012 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. The custodian fees for the current financial year 2011-2012 have been paid to all the aforesaid Depositories.
- 13) 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.
- 14) The Ministry of Corporate Affairs (MCA) has come out with a circular Nos. 17/2011 dated. 21/04/2011 & 18/2011 dated 29/04/2011 propagating "Green Initiative" encouraging Corporate to



serve documents through electronic mode. In order to above, those shareholders, who want the Annual Report in electronic mode, are requested to send their e-mail address.

- 15) Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 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, 2003 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.	31/03/2004	30/08/2004	29/08/2011	28/09/2011
2.	31/03/2005	30/08/2005	30/08/2012	29/09/2012
3.	31/03/2006	31/08/2006	30/08/2013	29/09/2013
4.	31/03/2010	31/08/2010	30/08/2017	29/09/2017

***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.***

- 16) Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- 17) ***As per proposed Section 205(10) of the Companies (Amendment) bill, 2003, no Company shall give, or no shareholders (including any proxy given by him) shall demand or accept, any gift at any general meeting. Shareholders may, kindly note that no gift/coupon will be distributed at the Annual General Meeting.***

Registered Office :  
10, Middleton Row,  
Kolkata – 700 071.  
Dated : 15th July, 2011

By Order of the Board of Directors

**ADINATH BANERJEE**  
Company Secretary-cum-Compliance Officer

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

(Annexure as referred to in the Notes No. 2 on notice and Item No. 4 of the notice)

**Item No. 4**

At the meeting of the Board of Directors of the Company held on April 30, 2011, Sri Vijay Swaminathan was appointed as Additional Non-Executive & Independent Director of the Company and hold office upto the date of the ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Article 140 of the Articles of Association of the Company.

Pursuant to Section 257 of the Act, the Company has received notice from members signifying their intention to propose Sri Vijay Swaminathan as candidate for the office of Director of the Company, liable to retire.

Sri Vijay Swaminathan is not disqualified from being appointed as Director in terms of Section 274(1)(g) of the Act. The company has received Form DD-A from Sri Vijay Swaminathan, in terms of the Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003, confirming their eligibility for such appointment.

None of the Directors of the Company except Sri Vijay Swaminathan is interested in the Resolution set out at item No.4 of the accompanying Notices.

The Board commends the passing of the Resolutions set out in item No. 4 of the accompanying Notice.

Registered Office :  
10, Middleton Row,  
Kolkata – 700 071.  
Dated : 15th July, 2011

By Order of the Board of Directors

**ADINATH BANERJEE**  
*Company Secretary-cum-Compliance Officer*

**INFORMATION PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT REGARDING  
APPOINTMENT OF NEW DIRECTOR OR RE-APPOINTMENT OF DIRECTORS**

(Annexure as referred to in the notes No. 4 on notice and Item Nos. 2 & 4 of the notice)

<b>Name of the Director/ Managing Director</b>	SriBuddhadeb Basu	Smt.AnjumDhandhania	SriVijaySwaminathan
<b>Director Identification Number</b>	DIN-00061771	DIN-00058506	DIN-03505029
<b>Date of Birth</b>	23-06-1967	07-12-1970	28-07-1962
<b>Date of First Appointment &amp; their Position thereto</b>	31-01-2003 As Non-Executive & Independent Director	31-01-2003 As Non-Executive Director	30-04-2011 As Non-Executive & Independent Director
<b>Educational Qualification</b>	B. Comm.	L.L.B.	Graduates
<b>Expertise in specific functional areas</b>	Business	Business	Business
<b>Chairmanship/Membership of Committees in this Company</b>	Chairman of the Audit Committee and Chairman of the Shareholders/Investor Grievance Committee of this Company	Chairman of the Remuneration/ Management Committee and Member of the Shareholders/ Investor Grievance Committee of this Company	Member of the Audit Committee of this Company
<b>Present Status of directorship in this Company</b>	Non-Promoter, Non-Executive & Independent Director	Promoter & Non-Executive Director	Non-Promoter, Non-Executive & Independent Director
<b>Directorship in other Public Limited Companies</b>	None	None	None
<b>Chairmanship/Membership of Committees in other Public Limited Companies</b>	None	None	None
<b>Shareholding as on 31<sup>st</sup> March, 2011</b>	Nil	20,000 Equity Shares [0.66%]	Nil
<b>Seeking appointment/ re-appointment etc.</b>	Retire by rotation & seeking re-appointment	Retire by rotation & seeking re-appointment	Retire in ensuing AGM & seeking appointment

Except SriBuddhadeb Basu, Smt. Anjum Dhandhania, Sri Vijay Swaminathan and Sri Asheesh Dabriwal (relative of Smt. Anjum Dhandhania), none of the directors are interested in the above appointment. Hence, your Board of Directors recommends the above appointment.

Registered Office :  
10, Middleton Row,  
Kolkata – 700 071.  
Dated : 15th July, 2011

By Order of the Board of Directors

**ADINATH BANERJEE**  
*Company Secretary-cum-Compliance Officer*



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their **Twentieth** Annual Report together with the Audited Statement of Accounts and the Auditor's Report of your Company for the Financial Year ended 31st March, 2011.

### CORPORATE OVERVIEW :

DHP India Limited is a Manufacturing Company of Low Pressure Regulator for LPG Cylinders, their parts & various accessories having its Registered Office in Kolkata & Factory in Howrah District, West Bengal.

The Company prepares its financial statements in compliance with the requirement of the Companies Act, 1956, and the Generally Accepted Accounting Principles (GAAP) in India. Overall the financial statements have been prepared on the historical cost basis.

### FINANCIAL RESULTS :

The performance of the Company for the financial year ended March 31, 2011 is summarised below :-

Particulars	(Rs. in Lacs)	
	Year ended 31.03.2011	Year ended 31.03.2010
<b>Net of Export Turnover of Sales</b>	<b>2344.40</b>	1837.37
<b>Net of Domestic Turnover of Sales</b>	<b>0.34</b>	0.66
<b>Net of Total Turnover of Sales</b>	<b>2344.74</b>	1838.03
<b>Total Income</b>	<b>2353.23</b>	1866.19
<b>Profit Before Interest, Depreciation, Provision for Investment &amp; Tax</b>	<b>535.63</b>	436.38
Less : Interest Cost	(-) 37.82	(-) 17.71
Less : Depreciation	(-) 100.82	(-) 80.93
Add/Less : Provision written back & provision for diminution of Investments	(+) 0.16	(+) 20.12
<b>Profit Before Tax</b>	<b>397.15</b>	357.86
Less : Provision for Taxation : (a) Income Tax	(-) 134.29	(-) 131.24
(b) Adj. of Deferred Tax Assets/Liabilities (-)	(-) 2.47	(+) 4.01
<b>Profit After Tax</b>	<b>260.39</b>	230.63
Add : Profit brought forward from previous year	3.89	0.75
Add/Less (-): Net of Income Less Taxes related to earlier year	Nil	(-) 2.39
<b>Profit Available for Appropriation</b>	<b>264.28</b>	228.99
<b>Appropriations</b>		
Proposed Dividend on Equity Shares	NIL	(-) 30.00
Provision for Corporate Dividend Tax	NIL	(-) 5.10
Transfer to General Reserve	(-) 260.00	(-) 190.00
<b>Surplus Carried to Balance Sheet</b>	<b>4.28</b>	3.89
<b>Net Worth (Capital employed at the year end)</b>	<b>1297.28</b>	1036.89
<b>Book Value of Shares at the year end (in Rs.)</b>	<b>43.24</b>	34.56

## **OPERATIONS**

Your Company's operation during the year was satisfactory. During the year the Company manufactured 27,61,228 pcs of Low Pressure Regulators for LPG Cylinders & Accessories and Parts etc. This was higher by 43.51 % as compared to the preceding year.

## **FUTURE PROSPECTS**

Your Directors are optimistic that the Company's performance will improve. Your Directors are of the opinion that high quality of products and continuous innovations in products as well as improvement in technology along with cost cutting efforts have to be continued and to be maintained. The company is expected to continue to do well and improve further in the coming years even in the face of strong competition.

## **DIVIDEND AND RESERVES**

In view of the business strategies, there being a need to conserve resource, no dividend is recommended during the year under review. The Reserves & Surplus thereafter will stand at Rs.997.28 lacs at a Book value of Rs.43.24 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 Buddhadeb Basu & Smt. Anjum Dhandhanian, 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.

Sri Rabindranath Das, Non-Executive & Independent Director of the Company died suddenly on 14/03/2011. The Board hereby puts on records its sincere gratitude to the Late Rabindranath Das for approximate 8 years of directorship on the Board of the Company and the invaluable services and inputs received from him regularly as a member of the Board and also of the Audit Committee of the Company.

At the meeting of the Board of Directors of the Company held on April 30, 2011, Sri Vijay Swaminathan was appointed as Additional Non-Executive & Independent Director of the Company to hold office upto the date of the ensuing Annual General Meeting in terms of Section 260 of the Companies Act, 1956 read with Article 140 of the Articles of Association of the Company.

None of the Directors of the Company are disqualified as per section 274(1)(g) of the Companies Act, 1956. The Directors have made necessary disclosures as required under various provisions of the Act and Clause 49 of the Listing Agreement.

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, 2011 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, 2011 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, 2011 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 TWENTIETH ANNUAL GENERAL MEETING and are recommended for re-appointment. As required under section 224 of the Companies Act, 1956, the Company has obtained a written certificate from them to the effect that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section.

The observations made in the Auditors' Report to the Members of the Company have been dealt with in the Notes to the Profit & Loss Account and the Balance Sheet in Schedule 21 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, Practising Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2011. 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 Ltd., Kolkata {Securities Code No.10014058} and Bombay Stock Exchange Ltd. (BSE), Mumbai {Securities Code No.531306} and the Listing Fees for the Financial Year 2011-12 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 97.25% of total number of equity shares being held in electronic mode with NSDL and CDSL. The custodian fees for the Financial Year 2011-12 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.19,752.50 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 31/03/2003, which was declared on 31/08/2003 and the same amount was transferred to Investor Education & Protection Fund on 20/09/2010.

#### **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 was 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, 2011.

**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, 2011.

### 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, 2011

A). Power and Fuel Consumption :	<u>Year ending 31.03.2011</u>	<u>Year ending 31.03.2010</u>
<b>1. Electricity :</b>		
a) No. of Units (Excluding own generation units by Generator)	<b>819695 Units</b>	747200 Units
b) Total amount in Rs.	<b>Rs. 54,78,949</b>	Rs.41,15,505
c) Effective Rate / Unit (Rs.)	<b>Rs. 6.68</b>	Rs. 5.51
<b>2. Coal</b>	<b>N.A.</b>	N.A.
<b>3. Furnace Oil</b>	<b>N.A.</b>	N.A.
<b>4. Others / Internal Generation</b> (Cost of Diesel, Mobil, Consumables & Other Exp. incurred etc.)	<b>Rs. 14,25,998</b>	Rs. 9,00,417
<b>B). Consumption per Unit of Production :-</b>		
1. Electricity (in Units Excluding own generation units by Generator)	<b>0.30 Units</b>	0.39 Units
2. Coal	<b>N.A.</b>	N.A.
3. Furnace Oil	<b>N.A.</b>	N.A.
4. Other	<b>N.A.</b>	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, 2011

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 :**

- |                                                                                                                   |   |      |
|-------------------------------------------------------------------------------------------------------------------|---|------|
| <b>(a) Technology import</b>                                                                                      | : | NIL  |
| <b>(b) Year of import</b>                                                                                         | : | N.A. |
| <b>(c) Has technology been fully absorbed</b>                                                                     | : | N.A. |
| <b>(d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action</b> | : | 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. 1837.37 lacs to Rs. 2344.40 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. 23,56,18,356
Total Foreign exchange outgo (inclusive of Import)	:	Rs. 1,10,73,551

For and on behalf of the Board of Directors

Place : Kolkata  
Dated : 15th day of July, 2011

**ASHEESH DABRIWAL**  
*Managing Director & C.E.O.*

**ANNEXURE – “II”**

**CORPORATE GOVERNANCE ANNUAL REPORT OF 2010-11**

*[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. The Strength of Board of Directors as on March 31, 2011 and as on date July 15, 2011 are as below :-

<b>Categories of Directors</b>	<b><u>As on March 31, 2011</u></b>		<b><u>As on July 15, 2011</u></b>	
Executive Director - Promoter	1		1	
Non-Promoter	<u>1</u>	2	<u>1</u>	2
Non-Executive Director - Promoter	1		1	
Non-Promoter i.e. Independent	<u>2*</u>	3	<u>3</u>	4
<b>Total Board Strength</b>		<u><b>5</b></u>		<u><b>6</b></u>

***{\*One of Non-Executive & Independent Director expired on 14/03/2011 and an alternate Non- Executive & Independent Director appointed on 30/04/2011}***

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

Sl.No.	Categories	Promoter/Non-Promoter	Name of Directors & Designation
i)	Executive Director	Promoter	1) Sri Asheesh Dabriwal <i>Managing Director &amp; Chief Executive Officer (C.E.O.)</i>
		Non-Promoter	2) Sri Janak Bhardwaj <i>Director-cum-Works Manager &amp; Chief Operating Officer (C.O.O.)</i>
ii)	Non-Executive Director	Promoter	3) Smt. Anjum Dhandhania
iii)	Independent & Non-Executive Director	Non-Promoter	4) Sri Buddhadeb Basu <i>Lead Independent Director</i>
		Non-Promoter	5) Late Rabindranath Das (Expired on 14/3/11)
		Non-Promoter	6) Dr. Subrata Halder
		Non-Promoter	7) Sri Vijay Swaminathan (Appointed on 30/04/11)
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 Dhandhania	Sri Buddhadeb Basu	Late Rabindra Nath Das	Dr. Subrata Halder	Sri Vijay Swaminathan
Directors Identification No.	00044783	00047641	00058506	00061771	00044336	00089655	03505029
Date of Birth	04.10.1967	05.07.1963	07.12.1970	23.06.1967	02.03.1933	25.04.1962	28.07.1962
Date of First Appointment	26.04.1991	25.06.1998	31.01.2003	31.01.2003	17.05.2003	17.05.2003	30.04.2011
Educational Qualification	B.Com.	D.M.E.	L.L.B.	B.Com.	Graduate	M.B.B.S.	Graduate
Occupation	Industrialist	Service	Business	Business	Retired	Doctor	Business
Status in different Committee of this Company :					Since deceased (on 14.03.2011)		
A) Audit Committee	None	None	None	Chairman	N.A.	Member	Member
B) Shareholders/Investors Grievance Committee	Member	None	Member	Chairman	N.A.	None	None
C) Remuneration/Management Committee	Member	None	Chairman	Member	N.A.	None	None
Present Status in this Company	Managing Director & C.E.O.	Executive Director & C.O.O.	Non Executive Director	Lead Independent Director	N.A.	Independent Director	Independent Director
Directorship in Other Public Limited Company	None	None	None	None	N.A.	None	None
Chairmanship/Membership of Committee in Other Public Limited Company	None	None	None	None	N.A.	None	None
Shareholding as on 31st March, 2011	652600 Shares [21.75%]	Nil	20000 Shares [0.66%]	200 Shares [0.0066%]	N.A.	Nil	Nil

**One of our Existing Director Late Rabindranath Das was expired on 14/03/2011. Sri Vijay Swaminathan was appointed a new Non-Executive & Independent Director and a Member of the Audit Committee w.e.f. 30/04/2011.**



**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 31<sup>st</sup> March, 2011, its attendance and other directorships & Chairmanships/Memberships in other companies are as under :-

Name of Directors	Categories	No. of Board Meeting attended	Last AGM attended	No. of Other Companies Directorships	No. of Other Committee Chairmanships	No. of Other Committee Memberships
Sri Asheesh Dabriwal	M.D. & C.E.O.	6	YES	None	None	None
Sri Janak Bhardwaj	E.D. & C.O.O.	6	NO	None	None	None
Smt. Anjum Dhandhania	N.E.D.	6	NO	None	None	None
Sri Buddhadeb Basu	N.E. & I.D.	6	YES	None	None	None
Late Rabindranath Das (Expired on 14.03.11)	N.E. & I.D.	6	YES	None	None	None
Dr. Subrata Halder	N.E. & I.D.	6	NO	None	None	None

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

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

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

Date of Board Meeting	Board Strength	No. of Directors Present	Main Purpose of Meetings
23/04/2010	6	6	General Board Meeting
15/05/2010	6	6	4 <sup>th</sup> Quarter Accounts Approval
15/07/2010	6	6	Audited Accounts Approval
14/08/2010	6	6	1 <sup>st</sup> Quarter Accounts Approval
13/11/2010	6	6	2 <sup>nd</sup> Quarter Accounts Approval
27/01/2011	6	6	3 <sup>rd</sup> Quarter Accounts Approval

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

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

- † To maintain Fair Market Practices.
- † To maintain the integrity of Financial records and Accounting
- † To develop a good External Communication with all Statutory Bodies

- | To develop Work Ethics with Honesty, Integrity, Respect, Fairness, Purposefulness, Trust, Responsibility and Caring.
- | To ensure highest level of transparency.

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

- h) Terms of Office of Non-Executive Directors :** At present there are four Non-Executive Directors in the company and out of this, three are also Independent Directors. The Board fixed their terms of office as per amended new listing agreement for not more than nine years for all present four Non-Executive Directors are as below :-

Name of Directors	Position	Terms of Office (Both days inclusive)
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
Late Rabindranath Das (Expired on 14.03.2011)	Non-Promoter, Non-Executive & Independent Director	Not Applicable
Dr. Subrata Haldar	Non-Promoter, Non-Executive & Independent Director	30.08.2003 to 29.08.2012
Vijay Swaminathan (Newly Appointed w.e.f. 30.04.2011)	Non-Promoter, Non-Executive & Independent Director	Proposed AGM date for Confirming directorship 02.09.2011 to 01.09.2020

- 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.
- | **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.
  - | **The COO and Executive Director-cum-Works Manager** Mr. Janak Bhardwaj is responsible for all production matters, customer service operations. He is also responsible for technology, new technical initiatives, renovations & industrial & personnel relations.
  - | **The CFO** Mr. Ashok Kumar Singh is a qualified Chartered Accountant & Cost Accountant. He is responsible for ensuing all the accounts, auditing, taxation & corporate governance matters.
- j) Re-appointment of Directors :** The Directors Sri Buddhadeb Basu & Smt. Anjum Dhandhanian, 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 Vijay Swaminathan appointed as Additional Director w. e. f. 30/04/2011, has to vacate office at the ensuing Annual General Meeting, and eligible for re-appointment. The brief particulars of above directors have already been mentioned in their profile. However, the suitable disclosure mentioned in the Notes as forming part of Notice of A.G.M. annexed with the Report.

**3. AUDIT COMMITTEE :**

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

1. Sri Buddhadeb Basu – Chairman *[Non-Executive & Lead Independent Director – having financial and accounting knowledge]*
2. Late Rabindranath Das – Member *[Non-Executive & Independent Director] - expired on 14/03/2011*
3. Dr. Subrata Halder - Member *[Non-Executive & Independent Director]*
4. *Sri Vijay Swaminathan, Non-Executive & Independent Director, appointed as a New Member of the Audit Committee w. e. f. 30/04/2011, in place of Late Rabindranath Das.*

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 6 times on 23/04/2010; 15/05/2010; 15/07/2010; 14/08/2010; 13/11/2010; and 27/01/2011 and all of the existing three members were present in all six meetings held during the year ended 31/03/2011.

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 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 :
  - l 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.
  - l Changes, if any, in accounting policies and practices and reasons for the same.
  - l Major accounting entries involving estimates based on the exercise of judgement by the management.
  - l Significant adjustments made in the financial statements arising out of audit findings.
  - l Compliance with listing and other legal requirements relating to financial statements.

- | Disclosure of related party transactions.
- | 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 :
  - | The management discussion and analysis of financial condition and results of operations;
  - | Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - | Management letters/letter of internal control weakness issued by the Statutory Auditors;
  - | Internal audit report relating to internal control weaknesses; and
  - | 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 :
- l Review and approval of business strategies and policies, medium & short term plans.
  - l Review of operating performance of the company.
  - l Approval of Remuneration of Executive & Non-Executive Directors.
- Minutes of the meeting of the Remuneration/management Committee are circulated to members of the Committee and the Board is kept apprised.
- ii) **Composition, name of members and Chairperson :** As on date the particulars of directors in remuneration / management committee are as below :-
1. Smt. Anjum Dhandhanian – Chairman *[Non-executive & 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 one time on 23/04/2010, and all of the above members were present in the Remuneration / Management Committee meeting held during the year ended 31/03/2011.
- iv) **Remuneration Policy :** The Remuneration Policy of the Company for managerial personnel is primary based on the performance of the following criteria :
- l Performance of the Company.
  - l Track record, potential and performance of individual managers and
  - l 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 for the year ended 31/03/2011. The sitting fees have been increased from Rs.500/- to Rs.2,000/- as per Board Meeting dated 30/04/2011.

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. 5,37,625	Rs. 12,21,115
		Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc.	Rs. 64,424	
		Car/Phone/Club facilities	Rs. 6,19,066	
Sri Janak Bhardwaj	Executive Director & Chief Operating Officer (C.O.O.)	Salary/Leave/allowances/Bonus	Rs. 10,86,399	Rs. 15,88,281
		Perquisite as per I.T. Act.	Rs. 18,714	
		Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc.	Rs. 1,19,060	
		Car & Phone facilities	Rs. 3,64,108	
Smt. Anjum Dhandhanian	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
Late Rabindranath Das (Expired on 14.03.2011)	Independent Director	Sitting Fees of Board Meeting	Rs. 3,000	Rs. 3,000
Dr. Subrata Haldar	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 Dhandhanian – 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 31/03/2011 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 on following places as per details given below :-

YEAR	DATE	DAY	TIME	Name of AGM/EGM	Held at
2009-2010	31/08/2010	Tuesday	11.00 A.M.	Nineteenth A.G.M.	18H, Park Street, Kol-71
2008-2009	31/08/2009	Monday	11.00 A.M.	Eighteenth A.G.M.	10, Middleton Row, Kol-71
2007-2008	30/08/2008	Saturday	11.00 A.M.	Seventeenth A.G.M.	10, Middleton Row, Kol-71

- ii) **Whether Special resolutions were put through postal ballot last year, details of voting pattern and person who conducted the postal ballot excise and procedure for postal ballot :** No Special Resolution passed in last A.G.M. dt. 31/08/2010 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.13 of Part – (C) of Schedule - 21.

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 21 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 :** Twentieth A.G. M. dated : 02/09/2011 (Friday)  
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 1<sup>st</sup> April to 31<sup>st</sup> March as its financial year. The Board Meeting for forthcoming quarterly, half yearly and annual financial results expected are as below :-

<b>For adoption of quarterly results</b>	<b>Expected date</b>
Quarter ending 30/06/2011	Second week of August’2011
Quarter ending 30/09/2011	Second week of November’2011
Quarter ending 31/12/2011	Second week of February’2012
Quarter ending 31/03/2012	Second week of May’2012
Year ending 31/03/2012	Second week of July’2012

- iii) **Book Closure Date :** 27/08/2011 (Saturday) to 02/09/2011 (Friday), Both days inclusive.
- iv) **Last date of Receipt of Proxies :** Tuesday, 30th August, 2011 (up to 6.00 P.M.) at the Registered Office of the Company.

- v) **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
- vi) **Corporate website** : In terms of Clause 54 of The Listing Agreement, the Company has developed website providing the basic information about the Company and all other allied information of investors.
- 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 Ltd. i.e. CSE [Regional Stock Exchange, Code :10014058]**  
**(2) Bombay Stock Exchange Limited, Mumbai i.e. BSE [Securities Code No .- 531306]**  
Annual listing fees for the financial year 2011-2012 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 2011-2012 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.19,752.50 of unclaimed dividend of F.Y. 2002-2003 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 31/03/2011** : Over 97.25 % of the Company's paid-up equity share capital has been dematerialised up to 31<sup>st</sup> March, 2011. 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 Ltd. (CSE) & frequently traded in Bombay Stock Exchange Ltd. (BSE).



- xvi) **Market Price Data – High/Low during each month of the F.Y.2010-2011** : The equity shares of the company are hardly traded in The Calcutta Stock Exchange Ltd. In Mumbai Stock Exchange the shares of company are regularly traded. Also 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 2010-2011 :-

Month	BSE(Monthly High) Price pershare (Rs.)	BSE(Monthly Low) Price pershare (Rs.)	No. of shares traded	Turnover(Rs.)
April'2010	30.00	25.75	14,522	4,07,651
May'2010	40.25	26.00	84,201	30,55,838
June'2010	39.50	34.40	32,992	11,98,853
July'2010	46.50	34.05	64,845	26,94,623
August'2010	45.00	34.25	69,087	28,09,621
September'2010	41.00	33.00	37,758	13,64,865
October'2010	36.50	31.00	9,730	3,27,096
November'2010	39.75	26.05	34,661	10,90,829
December'2010	33.00	23.55	16,277	4,32,986
January'2011	33.85	25.00	22,796	6,51,097
February'2011	33.00	26.15	8,362	2,51,238
March'2011	30.95	24.15	39,869	10,51,252
<b>Total No. of Shares traded &amp; volume of 2010-2011</b>			<b>4,35,100</b>	<b>1,53,35,949</b>

- xvii) **Distribution of Shareholding as on 31st March, 2011** : Distribution of Shareholding by number of shares pattern are as below :-

**a) Shareholding Pattern by Size (as on 31/03/2011) :**

No. of Equity Shares held	No. of Shareholders	% of Share holders	No. of shares	% of Shareholding
1 - 500	945	82.6049	1,43,569	4.7856
501 - 1,000	104	9.0909	82,459	2.7486
1,001 - 5,000	66	5.7692	1,37,755	4.5918
5,001 - 10,000	11	0.9615	75,938	2.5313
10,001 - 50,000	12	1.0490	2,14,822	7.1608
50,001 - 1,00,000	2	0.1748	1,35,157	4.5052
1,00,001 and above	4	0.3497	22,10,300	73.6767
<b>TOTAL</b>	<b>1144</b>	<b>100.0000</b>	<b>30,00,000</b>	<b>100.0000</b>

**b) Shareholding Pattern by Ownership (as on 31/03/2011) :**

Categories	Particulars of Categories	No. of Shareholders	Total No. of Shares	As percentage of shares
<b>Promoters Group (Indian)</b>	Director's & their relatives holding	4	18,44,700	61.490%
	Promoter's Body Corporate holding	2	4,03,500	13.450%
	<b>Total of Promoters holding (Indian)</b>	<b>6</b>	<b>22,48,200</b>	<b>74.940%</b>
<b>Non-Promoters Group</b>	Indian - Body Corporate	26	35,221	1.174%
	Indian-Individual & HUF holding Nominal Shares Value Up to Rs. 1 lakh	1088	4,11,809	13.727%
	Indian-Individual & HUF holding Nominal Shares Value above Rs. 1 lakh	9	2,27,312	7.577%
	Any Others - NRI/OCB	3	72,481	2.416%
	Clearing Member	12	4,977	0.166%
	<b>Total of Non-Promoters holding</b>	<b>1138</b>	<b>7,51,800</b>	<b>25.060%</b>
	<b>TOTAL SHAREHOLDINGS</b>	<b>1144</b>	<b>30,00,000</b>	<b>100.000%</b>

**c) Shareholding Pattern by Dematerialisation & Physical Form (as on 31/03/2011) :**

Particulars	No. of Equity Shares	% of Shareholding
Dematerialised with NSDL	27,27,299	90.91
Dematerialised with CDSL	1,90,155	6.34
<b>Total Dematerialised Shares</b>	<b>29,17,454</b>	<b>97.25</b>
Shares in Physical Form	82,546	2.75
<b>Total Paid-up Equity Shares</b>	<b>30,00,000</b>	<b>100.00</b>

xviii) **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 31/03/2011 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 Reconciliation of Share Capital 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, 2011.

**ASHEESH DABRIWAL**  
*Managing Director & C.E.O.*

## **ANNEXURE – “III”**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF 2010-2011**

*[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 judgements relating to the financial statements have been made on a prudent and reasonable basis, in order that the financial statements reflects in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profits and cash flows for the year. Apart from financial analysis, the management discussed on following areas :-

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

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

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

#### **Strengths :**

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

#### **Weakness :**

- | Time delays in procurement of raw materials.

#### **Opportunities :**

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

**Threat :**

- | Rising price of Raw Materials & Components.
- | Competitive environment with diverse players.

(d) **Risk and concern :** The Company is exposed to risks from market fluctuations of foreign exchange, interest rates, commodity prices, business risk, compliance risks and people risks. 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 :** Your Company believes in formulating adequate and effective internal control systems and implementing the same strictly to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The internal control systems is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically appraised of the internal audit findings and corrective actions taken.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control system and suggests improvements for strengthening them. The Company has a robust Management Information System which is an integral part of the control mechanism.

(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 endeavor is made to maintain good relations with the employees at all levels.

For and on behalf of the Board of Directors

Place : Kolkata  
Dated : 15th day of July, 2011.

**ASHEESH DABRIWAL**  
*Managing Director & C.E.O.*

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**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, 2011.

For **DHP INDIA LIMITED**

Place : Kolkata  
Dated : 15th day of July, 2011.

**ASHEESH DABRIWAL**  
*Managing Director & C.E.O.*

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

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

We, Asheesh Dabriwal, C.E.O. and Managing Director and Ashok Kumar Singh, C.F.O. of DHP INDIA LIMITED, 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 31/03/2011, 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.

**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)*

Place : Kolkata  
Dated : 15th July, 2011.

## 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, 2011 according to the provisions of –

- | The Companies Act, 1956 and the Rules made under that Act; and also The Companies (Amendment) Act, 2006;
- | The Depositories Act, 1996 and Regulations and the Byelaws framed under the Act;
- | The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") –
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and
  - (c) The Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000.
- | The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made under that Act; and
- | The Equity Listing Agreement with the Bombay Stock Exchange Limited (BSE) and The Calcutta Stock Exchange 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 19<sup>th</sup> Annual General Meeting held on August 31, 2010;
  - (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 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.

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

31A, S. P. Mukherjee Road,  
Kolkata - 700 025  
The 15th day of July, 2011

**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, 2011**, 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.

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

4E, Jain Centre, 34A, Metcalfe Street  
Kolkata - 700 013  
The 15th day of July, 2011

**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, 2011** 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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, 2011 ;
    - (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.

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

4E, Jain Centre, 34A, Metcalfe Street  
Kolkata - 700 013  
The 15th day of July, 2011

**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 is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
2. In respect of its Inventories :
  - (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
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 Act.
  - (b) In respect of loans granted, 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 loans, from its one of promoter group company, which are covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs.4,00,00,000/- and Rs. 1,65,00,000/- respectively.
  - (d) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the company.
  - (e) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.
4. In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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 for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given

to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system .

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year, 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 within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
9. (a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is (generally) regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, employees group gratuity fund, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the company examined by us, the particulars of dues of West Bengal Value Added Tax as at 31<sup>st</sup> March, 2011, which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax as per Order U/s.46 of the Act.	West Bengal Value Added Tax Liabilities/Dues	Rs. 2,85,172/-	Financial Year 2007-2008	Appealed U/s.86 of W.B. VAT Act, before Jt. Commissioner of Commercial Tax, Kolkata

10. The Company has no accumulated losses as at 31st March, 2011, and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders and any micro, small & medium enterprises as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the company.
14. In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures and other investments during the year and timely

entries have been made therein. Further, such securities have been held by the company in its own name.

15. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not created security or charge in respect of any debentures issued.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
22. The other clauses of paragraph 4 of the Companies (Auditor's Report) Order 2003 (as amended), are not applicable in the case of the company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

4E, Jain Centre, 34A, Metcalfe Street  
Kolkata - 700 013  
The 15th day of July, 2011

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

## BALANCE SHEET AS AT 31ST MARCH, 2011

	Schedule	As at 31st March, 2011		As at 31st March, 2010	
		Rs.	Rs.	Rs.	Rs.
<b>I. SOURCES OF FUNDS</b>					
1) <b>Shareholders' Funds :</b>					
a) Share Capital	1	3,00,00,000		3,00,00,000	
b) Reserves and Surplus	2	9,97,27,681	12,97,27,681	7,36,89,094	10,36,89,094
2) <b>Loan Funds :</b>					
Secured Loans	3		3,47,83,825		83,02,188
Unsecured Loans	4		1,65,00,000		2,00,00,000
<b>TOTAL</b>			<b>18,10,11,506</b>		<b>13,19,91,282</b>
<b>II. APPLICATION OF FUNDS</b>					
1) <b>Fixed Assets :</b>					
a) Gross Block	5	13,58,16,217		10,97,57,294	
b) Less : Depreciation		5,21,11,404		5,01,48,798	
c) Net Block		8,37,04,813		5,96,08,496	
d) Add : Capital Work-in-Progress		—	8,37,04,813	44,22,662	6,40,31,158
2) <b>Investments</b>	6				
Current & Long-Term Investment at Cost		—		22,03,117	
Less : Provision for diminution of Investments		—	—	16,002	21,87,115
3) <b>Current Assets, Loans and Advances :</b>					
<b>Current Assets</b>					
a) Closing Stock	7	6,11,99,850		4,02,93,687	
b) Sundry Debtors	8	4,29,83,054		3,22,76,763	
c) Cash in Hand		2,69,345		2,98,218	
d) Cash at Bank	9	11,68,362		12,64,573	
		10,56,20,611		7,41,33,241	
<b>Loans &amp; Advances</b>	10	2,14,49,492		2,43,28,541	
		12,70,70,103		9,84,61,782	
<b>Less : Current Liabilities and Provisions :</b>					
a) Current Liabilities	11	1,67,28,716		69,33,110	
b) Provisions	12	1,34,29,694		2,63,97,663	
		3,01,58,410		3,33,30,773	
<b>Net Current Assets</b>			9,69,11,693		6,51,31,009
4) <b>Deferred Tax Assets (Net) :</b>	13		3,95,000		6,42,000
<b>TOTAL</b>			<b>18,10,11,506</b>		<b>13,19,91,282</b>
<b>Significant Accounting Policies and Notes on Accounts.</b>	21				

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

4E, Jain Centre,  
34A, Metcalfe Street,  
Kolkata - 700 013  
The 15th day of July, 2011

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.  
BUDDHADEB BASU, Independent Director  
DR. SUBRATA HALDAR, Independent Director  
VIJAY SWAMINATHAN, Independent Director  
ASHOK KUMAR SINGH, C.F.O.  
ADINATH BANERJEE, Company Secretary  
cum-Compliance Officer

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

	Schedule	Current Year ended 31st March, 2011		Previous Year ended 31st March, 2010	
		Rs.	Rs.	Rs.	Rs.
<b>INCOME</b>					
a) Gross Turnover on Sales	14	23,44,77,573		18,38,09,042	
Less : Excise duty & Cess recovered on Sales		3,502		6,448	
<b>Net Turnover</b>			<b>23,44,74,071</b>		18,38,02,594
b) Other Income	15		8,32,852		8,03,690
c) Provision written back	16		16,044		20,12,421
d) Increase in Finished Goods	17		2,67,793		11,45,649
<b>TOTAL</b>			<b>23,55,90,760</b>		<b>18,77,64,354</b>
<b>EXPENDITURE</b>					
a) Consumption of Raw Materials and Stores, Spares etc.	18		13,42,14,242		10,06,62,196
b) Personnel, Operating, Manufacturing, Administrative & Other Expenses	19		4,66,00,580		4,00,98,726
c) Interest Paid			37,81,370		17,71,021
d) Miscellaneous Expenses			11,97,259		13,53,628
e) Depreciation	5		1,00,82,028		80,92,740
<b>TOTAL</b>			<b>19,58,75,479</b>		<b>15,19,78,311</b>
<b>PROFIT BEFORE TAX</b>			<b>3,97,15,281</b>		3,57,86,043
(Less) : Provision for Taxation - Current Income Tax			(1,34,29,694)		(1,31,24,318)
(Less)/Add : Adjustment of Deferred Income Tax (Liabilities)/Assets			(2,47,000)		4,01,000
<b>PROFIT AFTER TAX</b>			<b>2,60,38,587</b>		2,30,62,725
Add : Balance brought forward from previous year			3,89,094		74,610
(Less) : Income tax related to earlier year			—		(2,38,391)
<b>Amount Available for Appropriations</b>			<b>2,64,27,681</b>		2,28,98,944
<b>APPROPRIATIONS</b>					
Profit Transferred to General Reserve			2,60,00,000		1,90,00,000
Proposed Dividend		—	—	30,00,000	—
Provision for Corporate Dividend Tax		—	—	5,09,850	35,09,850
<b>Balance Carried to Balance Sheet</b>			<b>4,27,681</b>		<b>3,89,094</b>
<b>Basic and Diluted Earning Per Share of Face Value Rs. 10/- each (in Rupees)</b>					
After & Before, Prior period & Extra-ordinary items			<b>8.68</b>		7.69
<b>Significant Accounting Policies and Notes on Accounts.</b>	21				

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, 2011</p>	<p>In terms of our report of even date NAVIN NAYAR &amp; CO. Firm Registration No. 317117E Chartered Accountants NAVIN NAYAR Partner Membership No. 053267</p>	<p>On behalf of the Board ASHEESH DABRIWAL, M.D. &amp; C.E.O. JANAK BHARDWAJ, Director cum-Works Manager &amp; C.O.O. BUDDHADEB BASU, Independent Director DR. SUBRATA HALDAR, Independent Director VIJAY SWAMINATHAN, 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, 2011**

	As at 31st March, 2011		As at 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>				
<b>Net Profit before tax</b>		<b>3,97,15,281</b>		<b>3,57,86,043</b>
<b>Adjustments for :</b>				
Net of Provision (written back)	<b>(16,044)</b>		(20,12,421)	
Net (Profit) / Loss on Sale of Fixed Assets	<b>(44,443)</b>		—	
Depreciation	<b>1,00,82,028</b>		80,92,740	
Net Loss on Impairment of Fixed Assets <b>93,311</b>		2,15,639		
Provision for Gratuity debited to P & L A/c.	<b>1,63,709</b>		4,86,405	
Net (Profit) / Loss on Sale of Investments	<b>(4,78,968)</b>		17,25,435	
Interest & Dividend (Income)	<b>(2,44,649)</b>		(94,942)	
Interest Payment	<b>37,81,370</b>	<b>1,33,36,314</b>	17,71,021	1,01,83,877
<b>Operating Profit Before Working Capital Changes</b>		<b>5,30,51,595</b>		<b>4,59,69,920</b>
<b>Adjustments for :</b>				
(Increase) in trade and other receivables		<b>(170,27,099)</b>		(80,80,780)
(Increase) in inventories		<b>(2,09,06,163)</b>		(93,72,962)
Increase / (Decrease) in trade and other payables		<b>97,95,606</b>		(18,87,074)
<b>Cash Inflow from Operations</b>		<b>2,49,13,939</b>		<b>2,66,29,104</b>
(Less) : Income Tax & Fringe Benefit Tax Paid (Net of refunds)		<b>(1,38,51,623)</b>		(98,18,060)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES (A)</b>		<b>1,10,62,316</b>		<b>1,68,11,044</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>				
(Purchase) of Fixed Assets including-WIP		<b>(3,01,39,551)</b>		(1,50,59,729)
Sale of Fixed Assets		<b>3,35,000</b>		—
(Purchase) of Investments		—		(1,43,08,888)
Sale of Investments		<b>26,84,385</b>		1,33,51,172
(Demat Charges) Related to Investment Expenses		<b>(2,300)</b>		(5,716)
Interest & Dividend income earned		<b>2,44,649</b>		94,942
<b>NET CASH (USED) IN INVESTING ACTIVITIES (B)</b>		<b>(2,68,77,817)</b>		<b>(1,59,28,219)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>				
(Decrease) / Increase in Short-Term Unsecured Loan		<b>(35,00,000)</b>		1,00,00,000
Dividend & Dividend Tax (Payment)		<b>(35,09,850)</b>		—
Increase / (Decrease) in Secured Loan from Bank		<b>2,64,81,637</b>		(82,44,101)
Interest (Payment)		<b>(37,81,370)</b>		(17,71,021)
<b>NET CASH INFLOW/(USED)FROM/(IN) FINANCING ACTIVITIES (C)</b>		<b>1,56,90,417</b>		<b>(15,122)</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>		<b>(1,25,084)</b>		<b>8,67,703</b>
<b>CASH AND CASH EQUIVALENTS - OPENING BALANCE</b>		<b>15,62,791</b>		<b>6,95,088</b>
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>		<b>14,37,707</b>		<b>15,62,791</b>

4E, Jain Centre,  
34A, Metcalfe Street,  
Kolkata - 700 013  
The 15th day of July, 2011

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.  
BUDDHADEB BASU, Independent Director  
DR. SUBRATA HALDAR, Independent Director  
VIJAY SWAMINATHAN, 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, 2011		As at 31st March, 2010	
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
<b>SCHEDULE — 1</b>				
<b>SHARE CAPITAL</b>				
<b>Authorised :</b>				
40,00,000 Equity Shares of Rs. 10/- each		<b>4,00,00,000</b>		4,00,00,000
<b>Issued, Subscribed &amp; Paid-up :</b>				
30,00,000 Equity Shares of Rs. 10/- each fully paid-up in cash		<b>3,00,00,000</b>		3,00,00,000
 <b>SCHEDULE — 2</b>				
<b>RESERVES AND SURPLUS</b>				
a) <b>Securities Premium Account</b>				
Balance as per last Account		<b>10,00,000</b>		10,00,000
b) <b>General Reserve Account</b>				
Balance as per last Account	<b>7,23,00,000</b>		5,33,00,000	
Add : Transferred from Profit & Loss Account	<b>2,60,00,000</b>		<b>1,90,00,000</b>	
		<b>9,83,00,000</b>		7,23,00,000
c) <b>Profit &amp; Loss Account</b>				
Balance Carried forward		<b>4,27,681</b>		3,89,094
		<b>9,97,27,681</b>		7,36,89,094
 <b>SCHEDULE — 3</b>				
<b>SECURED LOANS</b>				
Cash Credit Loan from The Royal Bank of Scotland [Formerly known as ABN Amro Bank]		<b>3,47,83,825</b>		83,02,188
[ 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.]				
 <b>SCHEDULE — 4</b>				
<b>UNSECURED LOANS</b>				
Short-term Loan from a Corporate Bodies		<b>1,65,00,000</b>		2,00,00,000

**SCHEDULE — 5 OF FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET  
AS AT 31ST MARCH, 2011**

ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Opening As at 01.04.2010 Rs.	Addition during the year Rs.	Deduction during the year Rs.	Total As at 31.03.2011 Rs.	Opening As at 01.04.2010 Rs.	Provision During the year Rs.	Total As at 31.03.2011 Rs.	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
Freehold Land	92,49,340	—	—	92,49,340	—	—	—	92,49,340	92,49,340
Factory Building	2,41,18,582	1,38,31,135	—	3,79,49,717	78,70,607	17,42,268	96,12,875	2,83,36,842	1,62,47,975
Fixed Electrical Installation	29,68,228	12,46,535	—	42,14,763	13,52,235	2,39,512	15,91,747	26,23,016	16,15,993
Furniture & Fixtures	5,37,235	3,38,925	42,286	8,33,874	2,76,450	87,312	3,23,076	5,10,798	2,60,785
Plant & Machinery	6,77,05,893	1,56,06,828	63,08,804	7,70,03,917	3,75,33,777	70,33,004	3,83,26,543	3,86,77,374	3,01,72,116
Computer	9,32,747	11,40,195	6,06,865	14,66,077	7,76,285	2,12,014	4,08,979	10,57,098	1,56,462
Motor Car	42,45,269	23,98,595	15,45,335	50,98,529	23,39,444	7,67,918	18,48,184	32,50,345	19,05,825
<b>GRAND TOTAL :</b>	<b>10,97,57,294</b>	<b>3,45,62,213</b>	<b>85,03,290</b>	<b>13,58,16,217</b>	<b>5,01,48,798</b>	<b>1,00,82,028</b>	<b>5,21,11,404</b>	<b>8,37,04,813</b>	<b>5,96,08,496</b>
PREVIOUS YEAR	9,99,12,107	1,06,37,067	7,91,880	10,97,57,294	4,26,32,299	80,92,740	5,01,48,798	5,96,08,496	5,72,79,808
Capital Work-in-Progress									<b>44,22,662</b>

Note : Deduction of Cost Block & Depreciation Block represents :- (a) The cost & depreciation of assets totally written off due to @100% depreciation provided, (b) Impairment of fixed assets totally written off, and (c) Sale of Old Motor Cars & Motor Cycle - their Cost & depreciation written off.

**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

<b>SCHEDULE — 6</b>	<b>Face Value</b>	<b>Number of Shares/Units</b>	<b>Value as at 31.03.2011</b>	<b>Number of Shares/Units</b>	<b>Value as at 31.03.2010</b>
	<b>Rs.</b>		<b>Rs.</b>		<b>Rs.</b>
<b>INVESTMENTS</b>					
<b>OTHER THAN TRADE</b>					
<b>CURRENT INVESTMENTS - Valued at Cost</b>					
<b>Quoted Equity Shares :</b>					
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
NMDC Limited	10	—	—	2,000	5,79,615
Torrento Power Limited	10	—	—	1,000	3,04,852
<b>Total of Current Investment at Cost</b>			<b>—</b>		<b>22,03,117</b>
<b>(Less) : Provision for diminution in value of Investments in :</b>					
<b>Quoted Equity Shares :</b>					
Torrento Power Limited			—		(16,002)
<b>Net of Book Value of Carrying Cost of Current Investment</b>			<b>—</b>		<b>21,87,115</b>
<b>Aggregate Book value of Quoted Investments [Equity Shares]</b>			<b>N.A.</b>		<b>22,03,117</b>
<b>Aggregate Market value of Quoted Investments [Equity Shares]</b>			<b>N.A.</b>		<b>24,80,950</b>
<b>Diminution in value if any, Provided as books of accounts</b>			<b>NIL</b>		<b>16,002</b>
<b>Diminution in value if any, not provided for :-</b>			<b>NIL</b>		<b>NIL</b>

The following Investments were purchased 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
Satyam Computer Services Ltd.	10	—	—	10,000	7,89,211
Torrento Power Limited	10	—	—	1,000	3,04,852

**b) Quoted Mutual Fund :**

Benchmark Mutual Fund-NIFTY	10	—	—	8,500	35,82,911
<b>Total Current Investments Purchased during the Year (a+b)</b>			<b>—</b>		<b>1,43,08,888</b>

**(2) Bonus Shares received during the year under Current Investments**

**a) Quoted Equity Shares :**

Castrol India Limited	10	1,000	—	—	—
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**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

	Face Value	Number of Shares/Units	Value as at 31.03.2011	Number of Shares/Units	Value as at 31.03.2010
	Rs.		Rs.		Rs.
<b>SCHEDULE — 6 (CONTD.)</b>					
<b>(3) Current Investments Sold/Redeemed during the Year</b>					
<b>(a) Quoted Equity Shares :</b>					
Castrol India Limited	10	2,000	8,47,826	—	—
Core Projects & Technologies Ltd.	10	1,000	2,02,630	9,000	19,53,556
Divis Laboratories Ltd.	10	1,000	7,64,718	—	—
NMDC Limited	10	2,000	5,28,698	2,000	6,93,566
Torrento Power Limited	10	1,000	3,40,513	—	—
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
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
<b>(b) Quoted Mutual Fund :</b>					
Benchmark Mutual Fund-NIFTY	10	—	—	8,500	36,85,909
<b>Total Current Investments Sold/Redeemed During the Year (a+b)</b>			<b>26,84,385</b>		<b>1,19,99,147</b>
<b>(4) Long-term Investments Sold/Redeemed during the Year</b>					
<b>(a) Quoted Equity Shares :</b>					
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>(b) Un-Quoted Units of Mutual Fund :</b>					
Fortis Money Plus Fund-Regular Growth	10	—	—	5352	70,676
Franklin India Bluechip Fund-Growth	10	—	—	107	20,761
JM High Liquidity Fund - Growth	10	—	—	1,304	32,711
JM Basic Fund - Growth Plan	10	—	—	367	6,682
JM Emerging Leaders Fund-Growth Plan	10	—	—	756	5,901
HSBC Cash Fund-Growth	10	—	—	1,870	27,822
Reliance Diversified Power Sector Fund-Growth	10	—	—	203	15,936
Templeton India Growth Fund-Growth	10	—	—	48	5,356
Templeton India TMA Regular Plan-Growth1000	10	—	—	17	38,836
<b>Total Long-term Investments Sold/Redeemed During the Year (a+b)</b>			<b>—</b>		<b>13,52,025</b>
<b>Total of Current &amp; Long-term Investment Sold/Redeemed During the Year</b>			<b>26,84,385</b>		<b>1,33,51,172</b>

**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<b>SCHEDULE — 7</b>		
<b>CLOSING STOCK (AT COST) : (As certified by the management)</b>		
a) Raw Materials, Stores & Work-in-Progress etc. (At cost) :		
i) Raw Materials	1,75,63,374	1,34,44,502
ii) Components & Paints	2,80,00,593	1,42,87,846
iii) Stores, Spares & Consumables etc.	58,16,285	39,67,369
iv) Scrap Material - (at realisable value)	74,28,685	60,07,290
	<u>5,88,08,937</u>	<u>3,77,07,007</u>
b) Finished Goods (at lower of cost or realisable value)	16,87,180	14,19,387
c) Goods-in-transit (at purchase price)	7,03,733	11,67,293
	<u>6,11,99,850</u>	<u>4,02,93,687</u>
<b>SCHEDULE — 8</b>		
<b>SUNDRY DEBTORS : (Unsecured and Considered Good)</b>		
Due for more than 6 months	—	—
Other Debts	4,29,83,054	3,22,76,763
	<u>4,29,83,054</u>	<u>3,22,76,763</u>
<b>SCHEDULE — 9</b>		
<b>CASH AT BANK : (Balance with Scheduled Banks)</b>		
a) In Current Accounts	10,24,276	8,19,545
b) In Fixed Deposits Accounts	—	3,16,295
c) In Unpaid Dividend Accounts	1,44,086	1,28,733
	<u>11,68,362</u>	<u>12,64,573</u>
<b>SCHEDULE — 10</b>		
<b>LOANS &amp; ADVANCES : (Unsecured and Considered good)</b>		
a) Advance recoverable in cash or in kind or for value to be received	91,11,151	50,23,201
b) Excess of Funded Value of Group Gratuity over Actuarial Valuation as per Accounting Standard - 15 (Revised)	2,01,423	3,65,132
c) Advance Payment of Central Excise Duty & Cess etc.	21,85,148	6,94,256
d) Advance Payment of West Bengal Value Added Tax	17,13,051	9,71,085
e) Advance Payment of Income Tax & FBT	82,03,362	1,64,11,766
f) Net of Income Tax & FBT (Refundable)	35,357	8,63,101
	<u>2,14,49,492</u>	<u>2,43,28,541</u>

**SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)**

	As at 31st March, 2011	As at 31st March, 2010
	<u>Rs.</u>	<u>Rs.</u>
<b>SCHEDULE — 11</b>		
<b>CURRENT LIABILITIES</b>		
a) Deferred Sales Tax	17,82,867	17,82,867
b) Sundry Creditors - Micro, Small & Medium Enterprises	—	—
c) Sundry Creditors (Other than Micro, Small & Medium Enterprises)	1,18,18,108	35,12,661
d) Advance from Customers (Other than Micro, Small & Medium Enterprises)	21,26,210	—
e) Liabilities for Expenses (Other than Micro, Small & Medium Enterprises)	5,44,779	12,68,954
f) Unclaimed Dividend	1,44,086	1,28,733
g) Statutory Liabilities	3,12,666	2,39,895
	<u>1,67,28,716</u>	<u>69,33,110</u>

**SCHEDULE — 12**

**PROVISIONS :**

a) Provision for Income Tax	1,34,29,694	2,24,57,331
b) Provision for Fringe Benefit Tax	—	4,30,482
c) Proposed Dividend	—	30,00,000
d) Provision for Corporate Dividend Tax	—	5,09,850
	<u>1,34,29,694</u>	<u>2,63,97,663</u>

**SCHEDULE — 13**

**DEFERRED TAX ASSETS (NET) :**

Deferred Tax Assets arising on account of :

a) Depreciation / Profit & Loss on Fixed Assets	4,62,000	6,00,000
b) Carry Forward losses as per Income Tax Act	—	1,61,000
c) Provision for Investment	—	5,000
<b>Deferred Tax Assets</b>	<u>4,62,000</u>	<u>7,66,000</u>
(Less) : Deferred Tax Liability on Excess of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)	<u>(67,000)</u>	<u>(1,24,000)</u>
	<u>3,95,000</u>	<u>6,42,000</u>

**SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT**

	Current Year ended 31st March, 2011		Previous Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE — 14</b>				
<b>SALES :</b>				
<b>(a) Export Turnover of Sales :</b>				
Gross Export Sales in Foreign Currencies of Mfg. Goods (Excluding Excise Duty & Cess)		23,72,93,148		18,37,37,474
Less : Export Return during the Year		(28,53,077)		—
<b>Total of Net Export Sales of Manufactured Goods (a)</b>		<b>23,44,40,071</b>		<b>18,37,37,474</b>
<b>(b) Domestic Turnover of Sales :</b>				
Domestic Sales (inclusive of Excise Duty & Cess etc.)		—		173
Less : Deduction on Samples (Inclusive of Excise Duty & Cess)		—		173
Scrap Sales (Inclusive of Excise Duty & Cess etc.)		37,502		71,568
<b>Total Domestic Sales (b)</b>		<b>37,502</b>		<b>71,568</b>
<b>Gross Turnover of Sales (a+b)</b>		<b>23,44,77,573</b>		<b>18,38,09,042</b>
<b>Less : Actual Excise Duty &amp; Cess recovered on above Sales Bill</b>		<b>3,502</b>		<b>6,448</b>
		<b>23,44,74,071</b>		<b>18,38,02,594</b>

**SCHEDULE — 15**

**OTHER INCOME / ADJUSTMENT :**

a) Profit on Sale of Shares		4,78,968		—
b) Interest Income (TDS Rs. 9,712/- Previous year TDS Rs. 4,771/-)		2,26,649		49,004
c) Profit on Sale of Old Motor Car/Motor Cycle		44,443		—
d) Profit on Fluctuation of Forex Rate		33,521		—
e) Miscellaneous Receipt		18,703		14,205
f) Exempted Dividend Income		18,000		37,300
g) Sundry Balances Written Back		12,568		21,822
h) Profit on Sale of DEPB Licence		—		6,45,803
i) Long-term Capital Gain		—		35,556
		<b>8,32,852</b>		<b>8,03,690</b>

**SCHEDULE — 16**

**PROVISIONS WRITTEN BACK :**

a) Net of Provision for Investment Written Back		16,002		20,12,421
b) Income Tax Provision of earlier year Written Back		42		—
		<b>16,044</b>		<b>20,12,421</b>

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

	Current Year ended 31st March, 2011		Previous Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE — 17</b>				
<b>INCREASE IN FINISHED GOODS :</b>				
Closing Stock of Finished Goods		<b>16,87,180</b>		14,19,387
Less : Opening Stock of Finished Goods		<b>14,19,387</b>		2,73,738
		<b>2,67,793</b>		<b>11,45,649</b>
<b>SCHEDULE — 18</b>				
<b>CONSUMPTION OF RAW MATERIALS AND STORES, SPARES etc.</b>				
<b>(a) Consumption of Raw Materials &amp; Components (Indigenous)</b>				
Opening Stock of :				
(i) Raw Materials		<b>1,34,44,502</b>		1,05,43,503
(ii) Components		<b>1,20,07,225</b>		1,01,34,144
(iii) Scrap Material - (Brass & Zinc)		<b>60,07,290</b>	<b>3,14,59,017</b>	49,52,950
2,56,30,597				
Add : Net Amount of Purchase of Raw Materials & Components (including their Freight etc.)		<b>13,56,19,480</b>		9,18,35,316
		<b>16,70,78,497</b>		<b>11,74,65,913</b>
Less : Closing Stock of :				
(i) Raw Materials		<b>1,75,63,374</b>		1,34,44,502
(ii) Components		<b>2,35,69,593</b>		1,20,07,225
(iii) Scrap Material - (Brass & Zinc)		<b>74,28,685</b>	<b>4,85,61,652</b>	60,07,290
3,14,59,017				
<b>Net Consumption of Raw Materials &amp; Components (Indigenous) (a)</b>		<b>11,85,16,845</b>		<b>8,60,06,896</b>
<b>(b) Consumption of Components (Imported)</b>				
Opening Stock of Imported Components		<b>22,80,621</b>		5,04,461
Add : Import of Components during the year		<b>95,14,932</b>		93,37,433
		<b>1,17,95,553</b>		98,41,894
Less : Closing Stock of Imported components		<b>44,31,000</b>		22,80,621
<b>Net Consumption of Components (Imported) (b)</b>		<b>73,64,553</b>		<b>75,61,273</b>
<b>(c) Consumption of Stores, Spares &amp; Consumables etc.</b>				
Opening Stock of Stores & Spares & Packing Materials		<b>39,67,369</b>		31,23,946
Add : Purchase of Stores & Spares etc. (Including their Freight)		<b>1,01,81,760</b>		79,37,450
		<b>1,41,49,129</b>		1,10,61,396
Less : Closing Stock of Stores, Spares & Packing Materials		<b>58,16,285</b>		39,67,369
<b>Net Consumption of Stores &amp; Spares etc. (c)</b>		<b>83,32,844</b>		<b>70,94,027</b>
<b>Total of Consumption of Raw Materials, Components &amp; Stores etc. (a+b+c)</b>		<b>13,42,14,242</b>		<b>10,06,62,196</b>



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

	Current Year ended 31st March, 2011		Previous Year ended 31st March, 2010	
	Rs.	Rs.	Rs.	Rs.
<b>SCHEDULE — 19</b>				
<b>PERSONNEL, OPERATING, MANUFACTURING, ADMINISTRATIVE &amp; OTHER EXPENSES :</b>				
Personnel Expenses :				
a) Salary, Wages & Bonus & Gratuity etc.	1,24,66,214		1,00,02,626	
b) Employers' Contribution to PF/ESI/Welfare Fund and approved LIC Group Gratuity Fund	15,70,583		13,25,176	
c) Stipend & Staff Welfare	28,61,229	1,68,98,026	25,30,048	1,38,57,850
Power & Fuel		69,04,947		50,15,922
Brass Rod Conversion Charges		61,74,723		43,02,626
Travelling & Conveyance (inclusive of Motor Car & Motor Cycle Expenses)		34,72,052		38,56,316
Freight Outward Expenses (Net)		25,03,753		21,32,051
Consultancy & Professional Charges		21,90,809		15,87,015
Packaging & Forwarding Expenses		21,34,787		12,75,563
Repairs to Plant & Machinery		11,05,041		8,28,039
Other Repair & Maintenance		3,30,279		2,98,357
Insurance Charges		7,50,402		7,12,884
Bank Charges		6,80,462		4,14,448
Testing & Certificate Fees		5,20,679		6,11,867
Security Service Charges		5,20,226		4,76,256
Trade Fair & Exhibition Expenses		5,10,607		9,82,384
Rent, Rates & Taxes		4,90,740		1,62,189
Freight, Loading & Unloading Expenses		4,41,788		2,89,845
Telephone & Internet Charges		3,83,980		3,13,395
Advertisement & Business Promotion		2,50,759		3,47,867
Payment & Provision to Auditors		60,000		57,500
Directors' Remuneration		12,000		12,000
Donation		7,500		1,10,000
Provision for Gratuity Provided		1,63,709		4,86,405
Loss on Impairment of Fixed Assets		93,311		2,15,639
Long-term Capital Loss U/s. 10 (38)		—		16,45,595
Speculation Loss		—		1,06,713
		<b>4,66,00,580</b>		<b>4,00,98,726</b>

**SCHEDULE — 20**

**CALCULATION OF BASIC & DILUTED EARNING PER SHARES (Rs.)**

Net Profit attributable to equity Shareholders		
Net Profit available (A) : Profit After Tax	2,60,38,587	2,30,62,725
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)	8.68	7.69

## **SCHEDULE “21” OF NOTES ON ACCOUNTS ANNEXED TO AND FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2011**

### **(A) BACKGROUND :**

DHP India Limited (‘the Company’) is a mid-sized Manufacturing Company of Engineering Goods like Low Pressure Regulator for LPG Cylinders (DPR’s), accessories and parts thereof. 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 and 2010-11, the company incurred expenses for expansion of its factory project within the same factory campus for enhancement of its capacity utilization. The above expansion projects already completed within February 2011 in this 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 Private Limited.

[2] Dolphin Properties Private Limited.

[3] Val Exports Private Limited.

### **(B) SIGNIFICANT ACCOUNTING POLICIES :**

#### **1. Basis of Preparation of Financial Statements :**

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

#### **2. Use of Estimates :**

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

#### **3. Fixed Assets and Depreciations :**

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

- a) Fixed Assets are stated at their original cost of acquisition as reduced by sale/loss of any fixed assets, and accumulated depreciation thereof on such fixed assets.
- b) Addition to Fixed Assets are stated at cost of equipment, creation cost and other relative expenses and excludes Excise Duty, Education Cess, Higher & Secondary Education Cess and Input Service Tax payment elements for availing Cenvat Credit on Capital Goods, and allowable West Bengal Value Added Tax elements etc. for availing West Bengal VAT Credit on Capital Goods of such assets.

- c) Depreciation on fixed assets is calculated on 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.
- c) 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. The un-hedged closing outstanding/advances etc. in Foreign Currencies transactions are valued at closing exchange rate as on the year end. The hedged closing outstanding in Foreign Currencies transactions are valued at their respective forward contract rates. Any difference arises on the valuation of forward contract rates and booking rates as well as closing rates & booking rates etc. are recognized in Profit & Loss Account on respective account head. Exchange differences arising on settlements/transactions related to earlier year or succeeding year are recognized separately in the Profit & Loss Account.

**7. Employee Benefits :**

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

The Company has Defined Benefit Plan of Retirement Gratuity schemes. The Company contributes to the Group Gratuity Fund under the Group Gratuity Cash Accumulated Scheme with Life Insurance Corporation of India (LIC) for future payment of gratuity liability to its employees. Consequent to the adoption of Accounting Standard 15 (AS-15 Revised) on "Employee Benefits",

the liability for the Gratuity as at the year end has been determined on the basis of an independent actuarial valuation made by LIC with the method stated in AS-15 (Revised) and such liability/assets has been adjusted and provided in these Accounts.

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

**8. Forward contracts in foreign currencies :**

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

**9. Provision for Current and Deferred Tax :**

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

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

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

**11. Provision, Contingent Liabilities and Contingent Assets :**

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

**12. Earning Per Share :**

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

**13. Revenue Recognition :**

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

- a) Export Sales in Foreign Currencies represent the Export Sales less if any Export Returns, Sample/Replacement etc. (inclusive of premium or discount on their forward contracts in foreign currencies materialized, if any) and the entire amount has been realized in India as per prevailing exchange rate.
- b) Domestic Sales represents Basic plus Excise Duty & Cess on invoice value of goods supplied and are recorded net of deduction on the any sample/replacement bills etc.
- c) Scrap Sales represents Basic plus Excise Duty & Cess on invoice value of scrap material.

- d) The recovery of Central Sales Taxes and West Bengal Value Added Taxes etc. in Domestic Sales credited to separate account and no amount of Central Sales Tax & West Bengal Value Added Taxes etc. payment is reflected through Profit & Loss Account.
- e) Consumption of Raw Materials and Components, Stores & Spares, Imported Goods & Traded Goods etc. include invoiced value of goods purchased less trade discount, rebate, Cenvat, and West Bengal VAT Credit allowable on such purchase etc.
- f) The other heads of income & all expenditure items having a material bearing on the financial statements are recognised on mercantile & accrual basis.

**14. Inventories :**

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

- a) Stock of Raw Materials, Components & Paints, Stores & Spares and Consumables, Work-in-process Zinc Alloys are valued at cost on FIFO basis (excluding of the amount of Cenvat & West Bengal VAT Credit allowable). A separate ledger for Cenvat & West Bengal VAT Credit allowable has been maintained for proper utilization of Cenvat & West Bengal VAT Credit and the same adjusted against payment of Excise Duty and Output VAT liability on account of any Sales. Rebate of Excise Duty if any realized or receivable has been adjusted against the payment of Excise Duty.
- b) 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.
- c) 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 C.T.O. Order U/s.46 of the W. B. VAT Act, dated 30/06/2010 of Financial Year 2007-2008 of Rs.2,85,172/-. The necessary appeal as per section 86 of the W.B. VAT Act, have been filed before the Jt. Commissioner of Commercial Tax, Kolkata on 16/09/2010 and the same matter is under process of hearing.
- 2. The Outstanding balances as at 31<sup>st</sup> March, 2011 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 :-

<b>Sr. No.</b>	<b>Particulars</b>	<b>Asat31.3.2011 Rs.</b>	<b>Asat31.3.2010 Rs.</b>
1.	Principal amount due and remaining unpaid	<b>NIL</b>	NIL
2.	Interest due on (1) above and unpaid interest	<b>NIL</b>	NIL
3.	Interest paid on all delayed payments under the MSMED Act.	<b>NIL</b>	NIL
4.	Payment made beyond the appointed day during the year	<b>NIL</b>	NIL
5.	Interest due and payable for the period of delay other than (3) above	<b>NIL</b>	NIL
6.	Interest accrued and remaining unpaid	<b>NIL</b>	NIL
7.	Amount of further interest remaining due and payable in succeeding years	<b>NIL</b>	NIL

4. Quantities and valuation of finished goods are as certified by the management.
5. In accordance with Accounting Standard 11 (Revised) the Net of Foreign Exchange fluctuation Gain (relating to current year contracts and the same materialized in next year) amounting to Rs.33,521/- has been credited to Profit & Loss Account. [Previous Year Net Loss of Foreign Exchange fluctuation amounting to Rs.4,27,171/- has been debited to Profit & Loss A/c.]
6. The Loss on impairment of Fixed Assets incurred during the year of Rs.93,311/- {Previous Year of Rs.2,15,639/-}
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 30,000 & USD 10,50,000 [contract value of Rs. 5,01,63,300/-].
  - (b) Forward contracts in foreign currencies materialized during the year on account of realization of export sales of GBP 30,000 & USD 6,47,867.62 [contract value of Rs.3,20,03,130/-].
  - (c) Forward contracts in foreign currencies outstanding as on 31/03/2011 is USD 4,02,132.38 [contract value of Rs.1,81,60,170/-] valued against receivables as on 31/03/2011.

**8. Outstanding Foreign Currency exposures remaining hedged as at 31/03/2011 valued at their respective forward contract rates are as below :-**

<u>Nature</u>	<u>Currency</u>	<u>Current year amount in Foreign currency</u>	<u>Previous year amount in Foreign currency</u>
Export receivables	USD	<b>4,02,132.38</b>	NIL

**9. Outstanding Foreign Currency exposures remaining unhedged as at 31/03/2011 are valued at the closing rates are as below :-**

<u>Nature</u>	<u>Currency</u>	<u>Current year amount in Foreign currency</u>	<u>Previous year amount in Foreign currency</u>
Export receivables	USD	<b>4,97,957.84</b>	6,45,717.06
— do —	GBP	<b>27,919.00</b>	40,625.00
Advance received against Export	USD	<b>47,887.62</b>	—

**10. Other Foreign Currency exposures valued on booking rates are as below :-**

<u>Nature</u>	<u>Currency</u>	<u>Current year amount in Foreign currency</u>	<u>Previous year amount in Foreign currency</u>
Advance paid against Expenses	EURO	<b>5,828.00</b>	3,915.00

**11. The details of deferred tax & normal income tax provisions are as below :-**

- (a) During the year, the Company recorded the cumulative net timing difference as a "Deferred Tax Assets" up to 31/03/2011 of Rs.3,95,000/-. The Net Deferred Tax Liabilities of Rs. 2,47,000/- charged to Profit & Loss Account for the year ended 31/03/2011.
- (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.1,34,29,694/- 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 2010-2011. 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.

**12. 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 Low Pressure Regulators for LPG Cylinder & accessories & parts thereof. Since inherent the nature of all these manufacturing items have been grouped as a single segment in the financial statement. As the Company's business activity falls within a single primary business segment the disclosure requirements of AS-17 in this regard are not applicable.

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

<u>Revenue by geographical markets</u>	<u>Current Year (in Rs.)</u>	<u>Previous Year (in Rs.)</u>
<b>Sales</b> : Domestic	37,502	71,568
Export	23,44,40,071	18,37,37,474
<b>Total Sales</b>	<b>23,44,77,573</b>	<b>18,38,09,042</b>
<b>Assets : Sundry Debtors</b> – Within India	7,23,489	6,61,722
Outside India	4,22,59,565	3,16,15,041
<b>Total Sundry Debtors</b>	<b>4,29,83,054</b>	<b>3,22,76,763</b>

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

**A) List of Related Parties :-**

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

<u>Promoters Group Name (holding more than 20%)</u>	<u>Relationship</u>
Nirmal Kumar Dabriwala [holding 32.733 %]	Father of Managing Director Sri Asheesh Dabriwal
Asheesh Dabriwal [Self holding 21.75% & on behalf of “M/s. Asheesh Dabriwal & Sons (HUF)” holding 0.337% i.e. total of 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 Dhandhanian – 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 MRTTP 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 :-

<u>Name of Party</u>	<u>Nature of Transaction</u>		<u>Amount</u>
Sri Asheesh Dabriwal	Salary/Leave Salary & Bonus	Rs. 5,37,625/-	
	Employer's Cont. to EPF/FPF/EDLI etc.	Rs. 64,424/-	
	Motor Car/Telephone Facilities/Club Bill pmt. {wholly & exclusively for the purpose of business}	Rs. 6,19,066/-	Rs. 12,21,115/-
Smt. Anjum Dhandhanian	Director's Sitting Fees paid		Rs. 3,000/-
Sri Janak Bhardwaj	Salary/HRA/Leave Salary & Bonus	Rs. 10,86,399/-	
	Employer's Cont. to EPF/FPF/EDLI etc.	Rs. 1,19,060/-	
	Perquisite as per Income Tax Act	Rs. 18,714/-	
	Motor Car & Telephone facilities pmt. {wholly & exclusively for the purpose of business}	Rs. 3,64,108/-	Rs. 15,88,281/-
Sri Janak Bhardwaj	<b>Staff Advance</b> : Opening as on 01.04.2010	Rs. 96,500/-	
	<b>Add</b> : Advance paid during the year	Rs. 75,000/-	
	<b>Less</b> : Advance Recovered during the year (-)	Rs. 72,000/-	
	<b>Net of Closing staff advance as on 31.03.2011</b>		Rs. 99,500/-
Smt. Dolly Dabriwal	Salary & Bonus	Rs. 1,08,240/-	
	Employer's Cont. to EPF/FPF/ESI/EDLI etc.	Rs. 17,962/-	
	Motor Car & Club Bill payment {wholly & exclusively for the purpose of business}	Rs. 2,60,845/-	Rs. 3,87,047/-
Sri Ashok Kumar Singh	Salary/Leave Salary & Bonus,	Rs. 8,60,200/-	
	Employer's Cont. to EPF/FPF/EDLI etc.	Rs. 1,02,840/-	
	Perquisites as per Income Tax Act	Rs. 10,400/-	Rs. 9,73,440/-
Sri Ashok Kumar Singh	<b>Staff Advance</b> : Opening as on 01.04.2010	Rs. Nil	
	<b>Add</b> : Advance paid during the year	Rs. 2,00,000/-	
	<b>Less</b> : Advance Recovered during the year (-)	Rs. 60,000/-	
	<b>Net of Closing staff advance as on 31.03.2011</b>		Rs. 1,40,000/-
Sri Adinath Banerjee	Salary & Bonus	Rs. 39,600/-	
	Employer's Cont. to EPF/FPF/ESI/EDLI etc.	Rs. 6,610/-	Rs. 46,210/-
Dabriwala Constructions Pvt. Ltd.	Office Rent payment	Rs. 42,000/-	
	Interest on Short-term Corporate Loan payment	Rs. 17,86,534/-	Rs. 18,28,534/-
Dabriwala Constructions Pvt. Ltd.	<b>Unsecured Loan</b> : Opening as on 01.04.2010	Rs. 2,00,00,000/-	
	<b>Add</b> : Further Loan received during the year	Rs. 2,00,00,000/-	
	<b>Less</b> : Loan paid during the year (-)	Rs. 2,35,00,000/-	
	<b>Add</b> : Interest accrued during the year	Rs. 17,86,534/-	
	<b>Less</b> : Interest paid during the year (-)	Rs. 17,86,534/-	
	<b>Net of Closing Unsecured Loan as on 31.03.2011</b>		Rs. 1,65,00,000/-

**14. 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 :

<u>Particulars</u>	<u>Current Year</u>	<u>Previous Year</u>
Employer's Contribution to Provident Fund/Pension Fund/EDLI etc.	Rs. 12,18,945/-	Rs. 9,69,738/-
Employer's Contribution to Employees State Insurance Scheme	Rs. 2,72,138/-	Rs. 2,09,360/-



- 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, 2011 are given below :

<u>Particulars</u>	<u>Gratuity (Funded-Rs.) Y.E. 31.3.11</u>	<u>Gratuity (Funded-Rs.) Y.E. 31.3.10</u>
<b>A. Change in Present Value of Defined Benefit Obligations :</b>		
<b>Present Value of Defined Benefit Obligations as at the beginning of the year</b>	<b>24,85,942</b>	16,92,515
Interest Cost	<b>2,30,875</b>	1,32,477
Current Service Cost	<b>1,70,090</b>	1,70,090
Benefits paid by the Funded Group Gratuity Schemes	<b>(99,240)</b>	(59,054)
Net of Actuarial (Gains)/Losses recognised during the year	<b>80,659</b>	5,49,914
<b>Present Value of Defined Benefit Obligations as at the end of the year</b>	<b><u>28,68,326</u></b>	<u>24,85,942</u>
<b>B. Change in the Fair Value of Plan Assets :</b>		
<b>Fair Value of the Plan Assets at the beginning of the year</b>	<b>28,51,074</b>	25,44,052
Expected/Actual Return on the Plan Assets	<b>2,59,285</b>	2,37,460
Contribution paid by the Employer to under Group Gratuity Fund	<b>58,630</b>	1,28,616
Benefit paid by the Funded Schemes from Group Gratuity Fund	<b>(99,240)</b>	(59,054)
Actuarial Gain/(Loss) of the Plan Assets	<b>—</b>	—
<b>Fair Value of the Plan Assets at the end of the year</b>	<b><u>30,69,749</u></b>	<u>28,51,074</u>
<b>C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets :</b>		
Present Value of Defined Benefit Obligation as at the end of the year	<b>28,68,326</b>	24,85,942
Fair Value of the Plan Assets at the end of the year	<b>30,69,749</b>	28,51,074
<b>(Assets) recognised in the Balance Sheet as "Current Assets"</b>	<b><u>(2,01,423)</u></b>	<u>(3,65,132)</u>
<b>D. Expenses recognised in the Profit &amp; Loss Account :</b>		
Current Service Cost	<b>1,70,090</b>	1,70,090
Life Cover Premium paid (inclusive of Service Tax) under Group Gratuity Fund	<b>19,910</b>	16,640
Interest Cost	<b>2,30,875</b>	1,32,477
Expected / Actual Return on the Plan Assets	<b>(2,59,285)</b>	(2,37,460)
Net Actuarial Losses recognised during the year	<b>80,659</b>	5,49,914
<b>Total of Net Expenses recognised in the Profit &amp; Loss Account</b>	<b><u>2,42,249</u></b>	<u>6,31,661</u>
<b>E. Investment Details (% of Total Invested) :</b>		
Life Insurance Corporation of India - Insurance Policies	<b>100.00%</b>	100.00%
<b>F. Principal Actuarial Assumption used :</b>		
Discounted Rate (per annum) Compound	<b>8.00%</b>	8.00%
Expected Rate of Return on Plan Assets	<b>9.15%</b>	9.15%
Rate of Salary increase (per annum)	<b>5.50%</b>	6.50%
Mortality Rate	<b>LIC Ultimate (1994-96)</b>	

**DEBITED IN PROFIT & LOSS ACCOUNT**

Total of Employers Contribution paid to Group Gratuity Fund	<b>78,540</b>	1,45,256
Add : Net of Provision for Gratuity Debited to Profit & Loss A/c.	<b>1,63,709</b>	4,86,405
	<b><u>2,42,249</u></b>	<u>6,31,661</u>

**15. Auditor's Remuneration Includes :**

	<u>Current Year Rs.</u>	<u>Previous Year Rs.</u>
Certification Charges	<b>10,000</b>	7,500
Statutory Audit Fees	<b>35,000</b>	35,000
Tax Audit Fees	<b>15,000</b>	15,000
	<b><u>60,000</u></b>	<u>57,500</u>

<b>16. Managerial Remuneration (other than Accrual Gratuity) :</b>		<b>Current Year</b>		<b>Previous Year</b>
		<b>Rs.</b>		<b>Rs.</b>
Remuneration & Benefit paid to Managing Director				
- Sri Asheesh Dabriwal		<b>12,21,115</b>		11,72,439
Remuneration & Benefit paid to Executive Director				
- Sri Janak Bhardwaj		<b>15,88,281</b>		12,58,269
Sitting Fees for Board Meeting paid to Non-Executive Directors		<b>12,000</b>		12,000
		<b>28,21,396</b>		<b>24,42,708</b>
<b>17. Additional information pursuant to paras 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 (As amended) :</b>				
		<b>Current Year</b>		<b>Previous Year</b>
		<b>as on 31.03.2011</b>		<b>as on 31.03.2010</b>
		<b>Quantity</b>		<b>Quantity</b>
		<b>Value (Rs.)</b>		<b>Value (Rs.)</b>
<b>A) Opening Stock of Finished Goods &amp; Semi-finished Goods etc. :</b>				
Finished Goods - Low Pressure Regulator for LPG Cylinders & Parts and Accessories	<b>31986 pcs.</b>	<b>14,19,387</b>	14472 pcs.	2,73,738
<b>Total Opening Stock</b>	<b>31986 pcs.</b>	<b>14,19,387</b>	<b>14472 pcs.</b>	<b>2,73,738</b>
<b>B) Consumption of Raw Materials Components &amp; Stores etc. :</b>				
a) Raw Materials & Component consumed :				
1) Zinc Alloys (100% indigenous)	<b>205048.400 kg.</b>	<b>2,59,16,925</b>	215289.950 kg.	2,35,01,524
2) Brass-Purchased (100% indigenous)	<b>161636.040 kg.</b>	<b>4,31,62,895</b>	128142.950 kg.	2,86,95,762
3) Brass-Conversion (100% indigenous)	<b>242950.150 kg.</b>	<b>N.A.</b>	170505.700 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	<b>N.A.</b>	<b>4,94,37,025</b>	N.A.	3,38,09,610
ii) Imported	<b>N.A.</b>	<b>73,64,553</b>	N.A.	75,61,273
b) Stores & Spares etc. consumed (100% indigenous)	<b>N.A.</b>	<b>83,32,844</b>	N.A.	70,94,027
<b>Total Consumption</b>		<b>13,42,14,242</b>		<b>10,06,62,196</b>
<b>C) Production of Low Pressure Regulator for LPG Cylinder (DPR) &amp; Parts and Accessories :</b>	<b>27,61,228 pcs.</b>	<b>N.A.</b>	19,24,088 pcs.	N.A.
<b>D) In-house Recovery of Scrap Material &amp; Conversion of Scrap to Raw Materials :</b>				
a) Zinc Ash (Scrap) Recovered during the year	<b>1990.000 kg.</b>	<b>N.A.</b>	1140.000 kg.	N.A.
b) Zinc Dross (Scrap) Recovered during the year	<b>NIL</b>	<b>N.A.</b>	1010.000 kg.	N.A.
c) Brass Scrap Recovered during the year	<b>268613.000 kg.</b>	<b>N.A.</b>	201493.000 kg.	N.A.
d) Brass Scrap used for Conversion of Rod	<b>275362.000 kg.</b>	<b>N.A.</b>	193391.000 kg.	N.A.
e) Brass Rod Conversion made during the year	<b>242950.150 kg.</b>	<b>N.A.</b>	170505.700 kg.	N.A.

	Current Year as on 31.03.2011		Previous Year as on 31.03.2010	
	Quantity	Value (Rs.)	Quantity	Value (Rs.)
<b>E) Supplied to customers as free Replacement :</b>				
Low Pressure Regulator & Parts etc.	<b>88 pcs.</b>	<b>N.A.</b>	145 pcs.	N. A.
<b>F) Received from Export-Return of Finished Goods &amp; Scrapped during the year :</b>				
Low Pressure Regulator & Parts etc.	<b>10120 pcs.</b>	<b>N.A.</b>	N.A.	N.A.
<b>G) Sales during the year (inclusive of Excise Duty) :</b>				
a) Export Sales of Mfg. Goods (DPR & Parts)	<b>2771911 pcs.</b>	<b>23,72,93,148</b>	1906429 pcs.	18,37,37,474
Less : Export Return of DPR & Parts etc.	<b>-10120 pcs.</b>	<b>-28,53,077</b>	N.A.	N.A.
<b>Net of Export Sales of DPR &amp; Parts</b>	<b>2761791 pcs.</b>	<b>23,44,40,071</b>	19,06,429 pcs.	18,37,37,474
b) Domestic Sales of Scrap (Zinc Ash/Dross)	<b>N.A.</b>	<b>37,502</b>	N.A.	71,568
<b>Total Sales</b>	<b>2761791 pcs.</b>	<b>23,44,77,573</b>	1906429 pcs.	18,38,09,042
<b>H) Closing Stock of Finished Goods :</b>				
Finished goods - Low Pressure Regulators for LPG Cylinders & Parts and Accessories	<b>21215 pcs.</b>	<b>16,87,180</b>	31986 pcs.	14,19,387
<b>Total Closing Stock</b>	<b>21215 pcs.</b>	<b>16,87,180</b>	31986 pcs.	14,19,387
<b>I) Licensed &amp; Installed Capacity :</b>				
a) Licensed Capacity (Qty.)	<b>N.A.</b>	<b>N.A.</b>	N.A.	N.A.
b) Installed Capacity (Qty. of DPR & Parts)	<b>4500000 pcs.p.a.**</b>	<b>N.A.</b>	N.A.4500000 pcs.p.a**	N.A.
(**As certified by the management)				
		<b>Current Year Rs.</b>		<b>Previous Year Rs.</b>
<b>J) C.I.F. Value of Imports :</b>				
Import of Components during the year		<b>85,08,613</b>		83,68,327
Import of Furniture & Machinery during the year		<b>3,89,524</b>		30,20,564
<b>Total C.I.F. Value of Import paid during the year</b>		<b>88,98,137</b>		1,13,88,891
<b>K) Expenditure in Foreign Currency :</b>				
Travelling Expenses		<b>8,30,380</b>		8,72,551
Trade Fair & Exhibition Expenses (Net of payment During the year)		<b>2,51,630</b>		8,10,205
Testing & Certification Expenses		<b>4,67,631</b>		5,35,188
Bank Charges		<b>68,691</b>		63,191
Books & Periodicals		<b>33,565</b>		29,700
Miscellaneous Expenses		<b>1,59,558</b>		—
Advance paid against Trade Exhibition Expenses		<b>3,63,959</b>		2,58,977
<b>Total Expenditure in Foreign Currency</b>		<b>21,75,414</b>		25,69,812
<b>L) Earning in Foreign Currency :</b>				
Export Sales of Mfg. Goods (FOB-Net of Return)		<b>23,44,40,071</b>		18,37,37,474
Reimbursement of Freight Outward Expenses		<b>11,78,285</b>		17,95,821
<b>Total Earning in Foreign Currency</b>		<b>23,56,18,356</b>		18,55,33,295

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

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

<b>I. REGISTRATION DETAILS :</b>	
Registration No.	: 21-51555 of 1991
Company Identification Number [CIN]	: L65921WB1991PLC051555
State Code	: 021
Balance Sheet Date	: 31.03.2011
<b>II. CAPITAL RAISED DURING THE YEAR (Amount in Rs. Thousands)</b>	
Public Issue	: NIL
Right Issue	: NIL
Bonus Issue	: NIL
Private Placement	: NIL
<b>III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs. Thousands) :</b>	
Total Liabilities	: 1,81,012
Total Assets	: 1,81,012
<b>Sources of Funds :</b>	
Paid-up Capital	: 30,000
Reserves & Surplus	: 99,728
Secured Loans	: 34,784
Unsecured Loans	: 16,500
<b>Application of Funds :</b>	
Net Fixed Assets	: 83,705
Net Investments	: NIL
Net Current Assets	: 96,912
Net of Deferred Tax Assets	: 395
Miscellaneous Expenditure	: NIL
Accumulated Loss	: NIL
<b>IV. PERFORMANCE OF THE COMPANY (Amount in Rs. Thousands) :</b>	
Total Income	: 2,35,323
Total Expenditure	: 1,95,608
Profit before tax	: 39,715
Profit after tax	: 26,039
Earning per Share (in Rupees)	: 8.68
Dividend Rate (%)	: NIL
<b>V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS / SERVICES OF THE COMPANY :</b>	
<b>Product Description</b>	<b>Item Code No. (ITC Code)</b>
a) Low Pressure Regulator for LPG Cylinders	84818090
b) Parts of Low 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.]	

20. 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 "21"**

		On behalf of the Board
		ASHEESH DABRIWAL, M.D. & C.E.O.
		JANAK BHARDWAJ, Director
		cum-Works Manager & C.O.O.
		BUDDHADEB BASU, Independent Director
		DR. SUBRATA HALDAR, Independent Director
		VIJAY SWAMINATHAN, Independent Director
		ASHOK KUMAR SINGH, C.F.O.
		ADINATH BANERJEE, Company Secretary
		cum-Compliance Officer
	In terms of our report of even date	
	NAVIN NAYAR & CO.	
	Firm Registration No. 317117E	
	Chartered Accountants	
	NAVIN NAYAR	
	Partner	
	Membership No. 053267	
4E, Jain Centre,		
34A, Metcalfe Street,		
Kolkata - 700 013		
The 15th day of July, 2011		



**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 **TWENTIETH ANNUAL GENERAL MEETING** of the Company to be held on Friday, 2nd September, 2011 at 11.00 A.M. and / or any adjournment thereof.  
 As witness my / our hand(s) this ..... day of 2011.

Signature by the said .....  
 .....  
 .....

Affix  
 Re. 1/-  
 Revenue  
 Stamp

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

\* Applicable for investors holding shares in electronic form.

- Note :
1. The Proxy 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 of 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

Twentieth Annual General Meeting at 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 Twentieth Annual General Meeting held on Friday, 2nd September, 2011.

.....  
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

