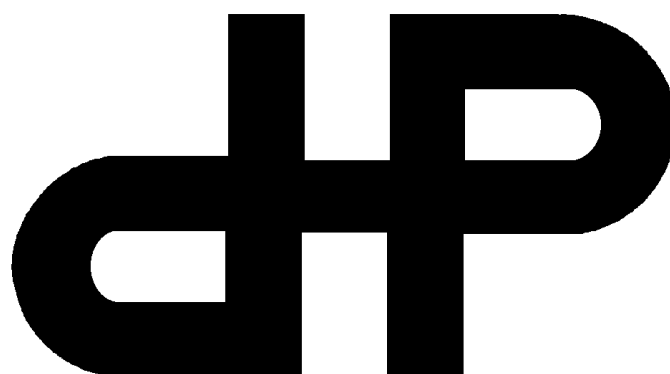


DHP INDIA LIMITED

[Company Identification Number (CIN) : L65921WB1991PLC051555]



TWENTY-FIRST
ANNUAL REPORT
AND ACCOUNTS
2011-2012

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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.}

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 :

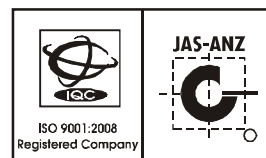
THE CALCUTTA STOCK EXCHANGE LTD. [Securities Code No.10014058]
BOMBAY STOCK EXCHANGE LTD. [Securities Code No.531306]

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 **Twenty-First Annual General Meeting** of the Members of DHP INDIA LIMITED (the Company) will be held on Friday, the 7th September, 2012 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, 2012 and the Statement of Profit and Loss 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 Janak Bhardwaj and Dr. Subrata Haldar, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

Registered Office :
10, Middleton Row,
Kolkata – 700 071.
Dated : 18th July, 2012

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) In terms of Articles 126 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Sri Janak Bhardwaj and Dr. Subrata Haldar, 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.
- 3) Brief resume of Directors proposed to be appointed as per item No.2 as above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- 4) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 1st September, 2012 to Friday, the 7th September, 2012 (both days inclusive).



- 5) 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.
- 6) 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.
- 7) 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.
- 8) 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.
- 9) 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.
- 10) 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, 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.
- 11) 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 2012-2013 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 2012-2013 have been paid to all the aforesaid Depositories.
- 12) 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.
- 13) 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.



- 14) Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2005 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, 2004 to the Investor Education and Protection Fund (IEP Fund).

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

Serial No.	Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
1.	31/03/2005	31/08/2005	30/08/2012	29/09/2012
2.	31/03/2006	31/08/2006	30/08/2013	29/09/2013
3.	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.

- 15) Shareholders are requested to give us their valuable suggestions for improvement of our investor services.
- 16) ***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 : 18th July, 2012

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 note No. 3 on notice and Item No. 2 of the notice)

Name of the Director	Sri Janak Bhardwaj	Dr. Subrata Haldar
Director Identification Number	DIN – 00047641	DIN – 00089655
Date of Birth	05-07-1963	25-04-1962
Date of First Appointment & their Position thereto	25-06-1998 As Executive Director cum Works Manager	31-01-2003 As Non-Executive & Independent Director
Educational Qualification	D.M.E.	M.B.B.S.
Expertise in specific functional areas	Service	Profession
Chairmanship/Membership of Committees in this Company	None	Member of the Audit Committee of this Company
Present Status of directorship in this Company	Non-Promoter & Executive Director	Non-Promoter & Non-Executive & Independent Director
Directorship in other Public Limited Companies	None	None
Chairmanship/Membership of Committees in other Public Limited Companies	None	None
Shareholding as on 31st March, 2012	Nil	Nil
Seeking re-appointment	Retire by rotation & seeking re-appointment	Retire by rotation & seeking re-appointment

Except Sri Janak Bhardwaj and Dr. Subrata Haldar, 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 : 18th July, 2012

By Order of the Board of Directors

ADINATH BANERJEE
Company Secretary-cum-Compliance Officer

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the **Twenty-First** Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2012.

CORPORATE OVERVIEW :

DHP India Limited is a Manufacturing Company of LP Gas Regulator (Liquified Petroleum Gas Regulator), its accessories and parts thereof. The Registered Office of the Company is situated in Kolkata & its Factory is situated 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, 2012 is summarised below :-

Particulars	(₹ in Lacs)	
	Year ended 31.03.2012	Year ended 31.03.2011
Revenue from Operations (net)	2497.40	2344.74
Other Income	5.75	8.49
Total Revenue	2503.15	2353.23
Profit Before Finance Cost, Depreciation & Amortisation & Tax	681.36	539.06
Less : Finance Cost	(-) 23.39	(-) 40.16
Less : Depreciation & Amortisation	(-) 121.92	(-) 101.75
Profit Before Tax {and profit before exceptional and extraordinary items}	536.05	397.15
Less : Provision for Taxation (inclusive of adjustment of deferred tax assets/liabilities)	(-) 179.71	(-) 136.76
Profit After Tax for the year of Continuing and Total Operation	356.34	260.39
Add : Profit brought forward from previous year	4.28	3.89
Profit Available for Appropriation	360.62	264.28
Appropriations		
Transfer to General Reserve	(-) 357.00	(-) 260.00
Surplus Carried to Balance Sheet	3.62	4.28
Net Worth (Capital employed at the year end)	1653.62	1297.28
Book Value of Shares at the year end (Amount in ₹)	55.12	43.24
Earning per Share (Amount in ₹)	11.88	8.68

OPERATIONS

Your Company's operation during the year was satisfactory. The revenue from operations, total revenue, profit before tax and profit after tax all are increased from its previous year.

FUTURE PROSPECTS

There is strong competition in the market. Your Directors continue to be of the opinion that high quality of products and innovations in products as well as improvement in technology along with cost cutting efforts will help your company to face this competition. The company is expected to continue to do well and improve further in the coming years .

DIVIDEND AND RESERVES

In view of the business strategies, there being a need to conserve resource, no dividend is recommended during the year under review. The Reserves & Surplus thereafter will stand at ₹ 1353.62 lacs at a Book value of ₹ 55.12 per Equity Share.

PUBLIC DEPOSITS

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

COMPLIANCE

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

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 & 2011.

DIRECTORS

Shri Janak Bhardwaj and Dr. Subrata Haldar, Directors of the Company, retire from office by rotation in accordance with the requirements of the Companies Act, 1956, and the provision of Article 126 of the Articles of Association of the company and being eligible offer themselves for re-appointment.

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, 2012 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, 2012 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, 2012 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 TWENTY-FIRST ANNUAL GENERAL MEETING and are recommended for reappointment. As required under section 224 of the Companies Act, 1956, the Company has obtained a written certificate from them to the effect that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section.

The observations made in the Auditors' Report to the Members of the Company have been dealt with in the Notes to the Statement of Profit and Loss and the Balance Sheet in Notes No. 1 to 24 of the Accounts. These are self explanatory and do not call for further comments.

SECRETARIAL AUDIT REPORT

Your Company voluntarily appointed M/s. Sushil Tiwari & Associates, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2012. 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 & 2011 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 2012-13 have already been paid.

DEPOSITORY SYSTEM

Trading in equity shares of your Company in the dematerialised form is compulsory for all the 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 97.62% of total number of equity shares being held in electronic mode with NSDL and CDSL. The custodian fees for the Financial Year 2012-13 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 ₹ 31,175.50 to Investor Education and Protection Fund, in compliance with the provisions of Section 205C of the Companies Act, 1956. The said amount represents dividend of financial year ended 31/03/2004, which was declared on 30/08/2004 and the same amount was transferred to Investor Education & Protection Fund on 14/09/2011.

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.

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 : 18th day of July, 2012.

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, 2012.

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, 2012

A). Power and Fuel Consumption :	Year ending 31.03.2012	Year ending 31.03.2011
1. Electricity :		
a) No. of Units (Excluding own generation units by Generator)	951305 Units	819695 Units
b) Total amount in ₹	₹ 64,57,247	₹ 54,78,949
c) Effective Rate / Unit (₹)	₹ 6.79	₹ 6.68
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others / Internal Generation (Cost of Diesel, Mobil, Consumables & Other Exp. incurred etc.)	₹ 13,39,446	₹ 14,25,998
B). Consumption per Unit of Production :-		
1. Electricity (in Units excluding own generation units by Generator)	0.35 Units	0.30 Units
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Other	N.A.	N.A.

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

FORM – B

Disclosure of particulars with respect to technology absorption for the year ended 31st March, 2012

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 : (₹ In Lacs)

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

Technology absorption, adaptation and innovation :

- 1. Efforts, in brief made towards technology absorption, adaptation & innovation :**
Continuous efforts are being made towards improvements in the existing production process.
- 2. Benefit derived as a result of the above efforts :**
The Company is successful in improving and maintaining the quality of its product.
- 3. Particulars of technology imported during last 5 years :**

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (a) Activity relating to export, initiatives taken to increase exports; development of new export markets for products; and export plans :**
The exports of the Company has increased from ₹ 2344.40 lacs to ₹ 2492.19 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	: ₹ 24,97,67,583
Total Foreign exchange outgo	: ₹ 44,07,279

For and on behalf of the Board of Directors

Place : Kolkata
Dated : 18th day of July, 2012

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “II”

CORPORATE GOVERNANCE ANNUAL REPORT OF 2011-12

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

TO THE MEMBERS

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

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

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

1. BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE : DHP India Limited is a widely-held Public Limited Company and maintains a very high level of Corporate Governance. The Company’s philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders. The Company follows the code of corporate governance in its entirety.

2. BOARD OF DIRECTORS :

The Company has a broad-based Board and meets the “Composition” criteria. As on 31st March, 2012, the Board comprised of six Directors. Out of the six Directors, four are Non-Executive of which three are the Independent Directors. The Board believes that its current composition is appropriate. Composition of the Board and category of Directors are as follows :-

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

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

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

Name of Directors	Sri Asheesh Dabriwal	Sri Janak Bhardwaj	Smt. Anjum Dhandhanania	Sri Buddhadeb Basu	Dr. Subrata Halder	Sri Vijay Swaminathan
Directors Identification No.	00044783	00047641	00058506	00061771	00089655	03505029
Date of Birth	04.10.1967	05.07.1963	07.12.1970	23.06.1967	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	30.04.2011
Educational Qualification	B.Com.	D.M.E.	L.L.B.	B.Com.	M.B.B.S.	Graduate
Occupation	Industrialist	Service	Business	Business	Doctor	Business
Status in different Committee of this Company :						
A] Audit Committee	None	None	None	Chairman	Member	Member
B] Shareholders/Investors Grievance Committee	Member	None	Member	Chairman	None	None
C] Remuneration/Management Committee	Member	None	Chairman	Member	None	None
Present Status is this Company	Managing Director & C.E.O.	Executive Director & C.O.O.	Non Executive Director	Lead Independent Director	Independent Director	Independent Director
Directorship in Other Public Limited Company	None	None	None	None	None	None
Chairmanship/Membership of Committee in Other Public Limited Company	None	None	None	None	None	None
Shareholding as on 31st March, 2012	662600 Shares [22.09%]	Nil	20000 Shares [0.66%]	200 Shares [0.0066%]	Nil	Nil

c) Disclosure whether Chairman is Executive/Non Executive :

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

d). Attendance of Directors at Board Meetings, Last Annual General Meeting and number of other Directorships and Chairmanships / Memberships of committees of each Directors in various companies : The Composition of Board during the year ended 31st March, 2012, 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 Dhandhanania	N.E.D.	6	NO	None	None	None
Sri Buddhadeb Basu	N.E. & I.D.	5	YES	None	None	None
Dr. Subrata Halder	N.E. & I.D.	6	NO	None	None	None
Vijay Swaminathan	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
30/04/2011	6	6	Appointment of Director
14/05/2011	6	5	4 th Quarter Accounts Approval
15/07/2011	6	6	Audited Accounts Approval
12/08/2011	6	6	1 st Quarter Accounts Approval
14/11/2011	6	6	2 nd Quarter Accounts Approval
13/02/2012	6	6	3 rd 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) **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.

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

3. AUDIT COMMITTEE :

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

1. Sri Buddhadeb Basu – Chairman *[Non-Executive & Lead Independent Director – having financial and accounting knowledge]*
2. Dr. Subrata Haldar – Member *[Non-Executive & Independent Director]*
3. Sri Vijay Swaminathan – Member *[Non-Executive & Independent Director]*

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

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

- ii) **No. of meeting and attendance :** During the year the Audit Committee has met 6 times on 30/04/2011; 14/05/2011; 15/07/2011; 12/08/2011; 14/11/2011 and 13/02/2012 and all the members were present in all the 6 (Six) meetings held, except Sri Buddhadeb Basu have attended 5 (Five) meetings.

- 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 :
 - 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.

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

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

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

- ii) **Composition, name of members and Chairperson** : As on date the particulars of directors in remuneration / management committee are as below :-

1. Smt. Anjum Dhandhanian – Chairman *[Non-executive & 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 30/04/2011, and all of the above members were present in the Remuneration / Management Committee meeting held during the year ended 31/03/2012.

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

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

- v) **Details of Remuneration to all directors as per format listing out the following** : Pay & remuneration to Managing Director Sri Asheesh Dabriwal & Executive Director Sri Janak Bhardwaj – who is an employee of the company. In addition to remuneration paid to Sri Asheesh Dabriwal & Sri Janak Bhardwaj, the company also pays the sitting fees @ ₹ 2,000/- per sitting (w. e. f. 14/05/2011 onwards) of General Board Meeting to all Non-Executive Directors (Other than those receiving remuneration) for attending Board Meetings for the year ended 31/03/2012. The sitting fees have been increased from ₹ 500/- to ₹ 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.	₹ 5,47,400	₹ 6,11,824
		Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc.	₹ 64,424	
Sri Janak Bhardwaj	Executive Director & Chief Operating Officer (C.O.O.)	Salary/Leave/allowances/Bonus	₹ 13,96,461	₹ 15,49,668
		Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc.	₹ 1,53,207	
Smt. Anjum Dhandhan	Non-Executive Director	Sitting Fees of Board Meeting	₹ 10,500	₹ 10,500
Sri Buddhadeb Basu	Independent Director	Sitting Fees of Board Meeting	₹ 8,500	₹ 8,500
Dr. Subrata Halder	Independent Director	Sitting Fees of Board Meeting	₹ 10,500	₹ 10,500
Sri Vijay Swaminathan	Independent Director	Sitting Fees of Board Meeting	₹ 10,500	₹ 10,500

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 and other members :-**
 1. Sri Buddhadeb Basu – Chairman *[Non-Executive & Lead Independent Director]*
 2. Smt. Anjum Dhandhan – 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 are pending unsolved as on 31/03/2012 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
2010-2011	02/09/2011	Friday	11.00 A.M.	Twentieth A.G.M.	18H, Park Street, Kol-71
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

- 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. 02/09/2011 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.24.7.

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 No.1 as per meaning of Regulation 3(1)(e) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 & 2011 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 have regularly published the news and the results, compliances etc. to its corporate website www.dhpindia.com as per clause 54 of the Listing Agreement. However, the results and all corporate return etc. will be also available in BSE website. Further all the material information which has bearing on the operations of the company is sent to all stock exchanges depository participants 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** : Twenty-First A.G. M. dated : 07/09/2012 (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 1st April to 31st March as its financial year. The Board Meeting for forthcoming quarterly, half yearly and annual financial results expected are as below :-

<u>For adoption of quarterly results</u>	<u>Expected date</u>
Quarter ending 30/06/2012	Second week of August'2012
Quarter ending 30/09/2012	Second week of November'2012
Quarter ending 31/12/2012	Second week of February'2013
Quarter ending 31/03/2013	Second week of May'2013
Year ending 31/03/2013	Second week of July'2013

- iii) **Book Closure Date** : 01/09/2012 (Saturday) to 07/09/2012 (Friday), Both days inclusive.
iv) **Last date of Receipt of Proxies** : Tuesday, 4th September, 2012 (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 its corporate website www.dhpindia.com and all the basic information about the company and allied matters are regularly uploaded.

- 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 2012-2013 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 i.e. **M/s. National Securities Depository Ltd [NSDL]** & **M/s. Central Depository Services (India) Ltd. [CDSL]**. The required custodian fees for financial year 2012-2013 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.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 ₹ 31,175.50 of unclaimed dividend of F.Y. 2003-2004 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 31/03/2012 :** Over 97.62 % of the Company's paid-up equity share capital has been dematerialised up to 31st March, 2012. 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.2011-2012 :** 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. Similarly the website of The Calcutta Stock Exchange's is 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 2011-2012 :-

Month	BSE (Monthly High) Price per share (₹)	BSE (Monthly Low) Price per share (₹)	No. of shares traded	Turnover (₹)
April'2011	31.90	26.15	7,171	2,06,957
May'2011	33.90	27.15	9,305	2,91,943
June'2011	35.50	27.05	5,924	1,76,874
July'2011	33.05	29.55	14,763	4,67,230
August'2011	34.10	28.00	11,921	3,58,762
September'2011	33.10	26.50	26,674	8,07,430
October'2011	31.00	26.00	39,394	10,82,500
November'2011	32.95	27.50	23,908	7,13,187
December'2011	32.85	24.50	8,212	2,30,145
January'2012	37.60	26.50	20,705	6,55,927
February'2012	37.85	29.95	12,953	4,34,541
March'2012	39.15	29.10	18,022	5,64,058
Total No. of shares traded & volume of 2011-2012			1,98,952	59,89,554

xvii) Distribution of Shareholding as on 31st March, 2012 : Distribution of Shareholding pattern by the number of shares are as below :-

a) Shareholding Pattern by Size (as on 31/03/2012) :

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of shares	% of Shareholding
1 - 500	920	81.7778	1,36,385	4.5461
501 - 1,000	100	8.8889	79,977	2.6659
1,001 - 5,000	76	6.7555	1,56,542	5.2181
5,001 - 10,000	11	0.9778	77,077	2.5692
10,001 - 50,000	12	1.0667	2,18,367	7.2789
50,001 - 1,00,000	2	0.1778	1,21,352	4.0451
1,00,001 and above	4	0.3555	22,10,300	73.6767
TOTAL	1125	100.0000	30,00,000	100.0000

b) Shareholding Pattern by Ownership (as on 31/03/2012) :

Categories	Particulars of Categories	No. of Shareholders	Total No. of Shares	As percentage of shares
Promoters Group (Indian)	Director's & their relatives holding	4	18,44,700	61.490%
	Promoter's Body Corporate holding	2	4,03,500	13.450%
	Total of Promoters holding (Indian)	6	22,48,200	74.940%
Non-Promoters Group	Indian - Body Corporate	28	61,802	2.060%
	Indian-Individual & HUF holding Nominal Shares Value Up to ₹ 1 lakh	1070	4,18,611	13.954%
	Indian-Individual & HUF holding Nominal Shares Value above ₹ 1 lakh	8	1,90,857	6.362%
	Any Others - NRI/OCB	4	76,743	2.558%
	Clearing Member	9	3,787	0.126%
	Total of Non-Promoters holding	1119	7,51,800	25.060%
	TOTAL SHAREHOLDINGS	1125	30,00,000	100.000%

c) Shareholding Pattern by Dematerialisation & Physical Form (as on 31/03/2012) :

Particulars	No. of Equity Shares	% of Shareholding
Dematerialised with NSDL	26,91,167	89.70
Dematerialised with CDSL	2,37,487	7.92
Total Dematerialised Shares	29,28,654	97.62
Shares in Physical Form	71,346	2.38
Total Paid-up Equity Shares	30,00,000	100.00

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 31/03/2012 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 : 18th day of July, 2012.

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “III”**MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF 2011-2012***[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 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 are 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 : 18th day of July, 2012.

ASHEESH DABRIWAL
Managing Director & C.E.O.

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

I, **ASHEESH DABRIWAL, C.E.O. & Managing Director** of **DHP INDIA LIMITED**, hereby declare that, as per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the **Code of Conduct of the Company**, for the year ended March 31, 2012.

For **DHP INDIA LIMITED**

Place : Kolkata

Dated : 18th day of July, 2012.

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 Statement of Profit and Loss and all its significant notes on accounts, as well as the Cash Flow Statements and the Directors Report etc. of the year ended 31/03/2012 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*

Place : Kolkata
Dated : 18th July, 2012.

**For DHP INDIA LIMITED
ASHOK KUMAR SINGH**

Chief Financial Officer (CFO)

SECRETARIAL AUDIT REPORT

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

We have examined the registers, records and documents of DHP INDIA LIMITED ("the Company") for the financial year ended on March 31, 2012 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 Bye-laws 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 & 2011;
 - (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 20th Annual General Meeting held on September 2, 2011;
 - (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, form of Statement of Profit and Loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 - (p) transfer of unclaimed amounts as required under the Act to the Investor Education and Protection Fund;
 - (q) investment of Company's fund ;
 - (r) borrowings and registration, modification and satisfaction of charges wherever applicable;
 - (s) directors' report;
 - (t) contracts, common seal, registered office and publication of name of the Company; and
 - (u) 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 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) the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel;
 - (c) the Company has obtained all necessary approvals under the various provisions of the Act; and
 - (d) 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 & 2011 with regards to the disclosures and maintenance of records required under the Regulations; and
 - (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 18th day of July, 2012

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, 2012**, 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 Clause 49 of 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 18th day of July, 2012

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, 2012** and the **Statement of Profit & Loss** and 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 mis-statement. 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, 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, Statement of Profit and Loss** and **Cash Flow Statement** dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the **Balance Sheet, Statement of Profit and Loss** 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, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 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, 2012 ;
 - (ii) In so far as it relates to the Statement of Profit and Loss, 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

NAVIN NAYAR
Partner

Membership No. 053267

4E, Jain Centre, 34A, Metcalfe Street
Kolkata - 700 013
The 18th day of July, 2012

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 is aggregates to ₹ 1,65,00,000/- and the year-end balance of such loans is NIL.
 - (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. We have broadly reviewed the cost records maintained by the Company pursuant to Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
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 31st March, 2012, which have not been deposited on account of a dispute, are as follows -

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax as per Appeal Order U/s.84(1) of the Act.	West Bengal Value Added Tax Liabilities/Dues	₹ 5,769/-	Financial Year 2007-2008	Appeal Order U/s. 84(1) of the said act, received from Jt. Commissioner of Commercial Tax, Kolkata and awaited for Demand/ Revision Order from Commercial Tax Officer.

10. The company has no accumulated losses as at 31st March, 2012, 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 18th day of July, 2012

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

BALANCE SHEET AS AT 31ST MARCH, 2012

	Note No.	As at 31st March, 2012 (Amount in ₹)		As at 31st March, 2011 (Amount in ₹)	
A. EQUITY AND LIABILITIES					
1) Shareholders' Funds					
a) Share Capital	3	3,00,00,000		3,00,00,000	
b) Reserves and Surplus	4	13,53,62,054	16,53,62,054	9,97,27,681	12,97,27,681
2) Non-Current Liabilities					
Long-term Borrowings	5		7,61,692		17,82,867
3) Current Liabilities					
a) Short-term Borrowings	6	1,77,34,621		5,12,83,825	
b) Trade Payables	7	41,70,925		1,18,18,108	
c) Other Current Liabilities	8	14,30,194		31,27,741	
d) Short-term Provisions	9	58,85,400	2,92,21,140	52,26,332	7,14,56,006
	TOTAL		19,53,44,886		20,29,66,554
B. ASSETS					
1) Non-Current Assets :					
a) Fixed Assets :					
Tangible Assets	10	9,48,05,969		8,37,04,813	
b) Deferred Tax Assets (Net)	11	6,13,000	9,54,18,969	3,95,000	8,40,99,813
2) Current Assets					
a) Inventories	12	4,90,45,124		6,11,99,850	
b) Trade Receivables	13	3,05,29,038		4,29,83,054	
c) Cash and Cash Equivalents	14	1,10,67,299		14,37,707	
d) Short-term Loans and Advances	15	88,52,915		1,30,44,707	
e) Other Current Assets	16	4,31,541	9,99,25,917	2,01,423	11,88,66,741
	TOTAL		19,53,44,886		20,29,66,554
See Accompanying Notes Forming Parts of the Financial Statements					
	1 to 24				

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 18th day of July, 2012

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

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2012

	Note No.	For the year ended 31st March, 2012 (Amount in ₹)	For the year ended 31st March, 2011 (Amount in ₹)
A. CONTINUING OPERATIONS			
1 Revenue from Operations (gross)	17	24,97,43,493	23,44,77,573
Less : Excise duty		(4,037)	(3,502)
Revenue from Operations (net)		24,97,39,456	23,44,74,071
2 Other Income	18	5,75,364	8,48,896
3 Total Revenue (1+2)		25,03,14,820	23,53,22,967
4 Expenses			
(a) Cost of Materials Consumed	19	11,67,13,530	12,58,81,398
(b) Decrease / (Increase) in Inventories of Finished Goods	20	7,33,937	(2,67,793)
(c) Employee Benefits Expense	21	2,06,25,986	1,68,98,026
(d) Finance Costs	22	23,38,623	40,15,389
(e) Depreciation and Amortisation Expense	10	1,21,92,263	1,01,75,339
(f) Other Expenses	23	4,41,05,047	3,89,05,327
Total Expenses		19,67,09,386	19,56,07,686
5 Profit Before Exceptional and Extra-ordinary Items & Tax (3-4)		5,36,05,434	3,97,15,281
6 Exceptional Items		—	—
7 Profit Before Extraordinary Items and Tax (5+6)		5,36,05,434	3,97,15,281
8 Extraordinary Items		—	—
9 Profit Before Tax		5,36,05,434	3,97,15,281
10 Tax Expenses :			
(a) Current Tax Expenses for Current Year		1,81,35,984	1,34,29,694
(b) Current Tax Expenses related to prior years		53,077	—
(c) Net Current Tax Expenses		1,81,89,061	1,34,29,694
(d) Net of Deferred Tax (Assets) / Liabilities		(2,18,000)	2,47,000
Total Tax Expenses		1,79,71,061	1,36,76,694
11 Profit from Continuing Operations (9-10)		3,56,34,373	2,60,38,587
B DISCONTINUING OPERATIONS			
12 Profit from Discontinuing Operations		—	—
C TOTAL OPERATIONS			
13 Profit for the year (11+12)		3,56,34,373	2,60,38,587
14 Earning per equity shares of face value of ₹ 10 each of Total Operation & Continuing Operations and also Total & excluding Extraordinary Items of both of Basic & Diluted (in ₹)		11.88	8.68
See Accompanying Notes Forming Parts of the Financial Statements	1 to 24		

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 18th day of July, 2012

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

	For the year ended 31st March, 2012 (Amount in ₹)	For the year ended 31st March, 2011 (Amount in ₹)
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before extraordinary items and tax	5,36,05,434	3,97,15,281
Adjustment for:		
Depreciation and amortisation	1,21,92,263	1,01,75,339
(Profit) on Sale of Fixed Assets	—	(44,443)
Finance Costs	23,38,623	40,15,389
Interest (income)	(3,17,960)	(2,26,649)
Dividend (income)	—	(18,000)
Net (profit) on Sale of Investments	—	(4,78,968)
Provisions no longer required (written back)	(2,30,118)	(16,044)
Provision for Gratuity debited to P & L A/c.	—	1,63,709
	<u>1,39,82,808</u>	<u>1,35,70,333</u>
Operating Profit before Working Capital Changes	6,75,88,242	5,32,85,614
Changes in Working Capital :		
Adjustment for (increase)/decrease in operating assets :		
Inventories	1,21,54,726	(2,09,06,163)
Trade Receivables	1,24,54,016	(1,07,06,290)
Short-term Loans and Advances	41,91,792	(63,20,808)
	<u>2,88,00,534</u>	<u>(3,79,33,261)</u>
Adjustment for increase /(decrease) in operating liabilities :		
Trade Payables	(76,47,183)	83,05,447
Other Current Liabilities	(16,97,547)	14,90,158
	<u>(93,44,730)</u>	<u>97,95,605</u>
Cash Generated from Operations	8,70,44,046	2,51,47,958
Net Income Tax (Paid) / Refunds	(1,75,29,993)	(1,38,51,623)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES (A)	<u>6,95,14,053</u>	<u>1,12,96,335</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital Expenditure on Fixed Assets	(2,32,93,419)	(3,01,39,551)
Proceeds from Sale of Fixed Assets	—	3,35,000
Current Investments not considered as Cash and Cash Equivalents - Proceeds from Sale	—	26,84,385
Expenses related to Investments Sale Proceeds	—	(2,300)
Interest received from Others	3,17,960	2,26,649
Dividend received from Others	—	18,000
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES (B)	<u>(2,29,75,459)</u>	<u>(2,68,77,817)</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2012

	For the year ended 31st March, 2012 (Amount in ₹)	For the year ended 31st March, 2011 (Amount in ₹)
C CASH FLOW FROM FINANCING ACTIVITIES		
Net (other than fluctuation of net loss on forex rate)	(1,70,49,204)	2,64,81,637
Proceeds from other Short-term Borrowings	—	2,00,00,000
Repayment of Long-term Borrowings	(10,21,175)	—
Repayment of other Short-term Borrowings	(1,65,00,000)	(2,35,00,000)
Finance Cost	(23,38,623)	(40,15,389)
Dividend paid	—	(30,00,000)
Tax on Dividend paid	—	(5,09,850)
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C)	(3,69,09,002)	1,54,56,398
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	96,29,592	(1,25,084)
Cash and Cash Equivalents at the Beginning of the Year	14,37,707	15,62,791
Cash and Cash Equivalents at the End of the Year	1,10,67,299	14,37,707
Cash and Cash Equivalents at the End of the Year Comprises :		
(a) Cash in Hand	5,12,306	2,69,345
(b) Balances with Banks :-		
(i) In Current Accounts	1,04,42,083	10,24,276
(ii) In Unpaid Dividend Accounts	1,12,910	1,44,086
Net Cash and Cash Equivalents as per Balance Sheet	1,10,67,299	14,37,707

Note : The Cash Flow Statements reflects the Cash Flow of continuing operations. There are no discontinued operations.

See Accompanying Notes Forming Parts of the Financial Statements.

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 18th day of July, 2012

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

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012**1 CORPORATE INFORMATION**

DHP India Limited ('the Company') is a mid-sized Manufacturing Company of Engineering Goods like Liquified Petroleum Gas Regulator (LP Gas Regulator), Accessories and Parts thereof. The Company is ISO 9001 : 2008 Certified. The Company manufactures various designs of the LP Gas Regulator, its Parts and Accessories as per requirement of export markets.

During the financial year 2011-12, the Company acquired freehold land in Howrah District (West Bengal) for future development.

As per latest information available within the Company for the purpose of Regulation 3(l)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (As Amended), 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.

2 SIGNIFICANT ACCOUNTING POLICIES :**2.1 Basis of Preparation of Financial Statements :**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (As Amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year on going concern.

2.2 Use of Estimates :

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories :

In accordance with the Accounting Standards 2 (AS-2) "Valuation of Inventories" issued by the Institute of Chartered Accountants of India, the valuation of inventories are summarised as follows :-

- a) Stock of Raw Materials (inclusive of various components), Stores, Spares & Consumables, Work-in-process of Zinc Alloys are valued at cost on FIFO (First In First Out) basis (excluding the amount of Cenvat & state VAT credit allowable). A separate ledger for Cenvat & state VAT credit allowable has been maintained for proper utilisation of Cenvat & state VAT credit and the same adjusted against the payment of Excise duty & Output vat liability on account of any Sales. Rebate of excise duty on exported goods, if any realised or receivable has been adjusted against such payment of Excise duty liability on exported goods.
- b) Stock of Finished Goods are valued at lower of cost (excluding of the amount of Cenvat & state VAT credit allowable) or net realisable value.

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

- c) Stock of Scrap Materials such as Brass Scrap & Zinc Ash are valued at net realisable value.
- d) Goods-in-transit of purchase of raw materials & capital goods are valued at cost as above (a).
- e) There is no deviation in method of valuation of stock as prescribed under section 142A of the Income Tax Act, 1961. Similarly there are no change of method of accounting since previous year.

2.4 Cash and Cash equivalents (for purposes of Cash Flow Statement) :

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisitions), highly liquid investments, that are readily convertible into known amounts of cash and which are subject to insignificant risk or changes in value.

2.5 Cash Flow Statement :

Cash flows are reported using the indirect method, where profit before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation :

Depreciation has been provided on written down value method as per rates prescribed in Schedule XIV to the Companies Act, 1956 on pro-rata basis except the following situation :-

- a) Assets costing less than ₹ 5,000 each are fully depreciated in the year of capitalisation.
- b) When , the net written down value of the assets is less than 5 % of its original costs, then each are fully depreciated in the year end.

2.7 Revenue Recognition :

In accordance with the Accounting Standards - 9 (AS-9) "Revenue Recognition" issued by the Institute of Chartered Accountants of India, the revenue and expenditures are recognised as follows :-

- a) **Sale of Manufactured Goods :** Export Sales in foreign currencies are recognised, net of returns, free samples & free replacements and inclusive of premium or discount on their forward exchange contracts materialised, if any. The entire amount of export sales has been realised in India as per prevailing exchange rate.
- b) **Sale of Scrap :** Scrap sales are recognised inclusive of excise duty but exclude the sales tax and Value Added Tax. The recovery of sales tax and Value Added Tax elements on domestic sales credited to separate ledger and adjusted against its payment. However no amount of sales tax and Value Added Tax on domestic sales are reflected through profit & Loss Account.
- c) **Income from Other Sales :** Income from Sale of Duty Entitlement Pass Book (DEPB) is recognised on cash basis.

2.8 Other Income :

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established. The other heads of income & expenditure items having a material bearing on the financial statements are recognised on mercantile and accrual basis.

2.9 Tangible Fixed Assets :

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

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

- a) Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes cost of acquisition, creation cost and other relative expenses but excludes the excise duty and Value Added Tax, in which the Cenvat and VAT credit allowable.
- b) Fixed assets acquired and put to use are capitalised and depreciation charged thereon.
- c) Fixed assets retire from active use and impaired are disposed off.
- d) Projects under which assets are not ready for their intend use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Foreign currency transactions and translations :

In accordance with the Accounting Standards - 11 (AS-11) "The Effects of Changes in Foreign Exchange Rates" issued by the Institute of Chartered Accountants of India, the foreign currency transactions are recognised as follows :-

- a) **Initial recognition** : Transaction in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at the rates that closely approximate the rate at the date of transaction.
- b) **Measurement of foreign currency monetary items at the Balance Sheet date:** Foreign currency monetary items (other than derivative contracts) of the Company outstanding at the Balance Sheet date are restated at the year end rates. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arises out of these transaction are charged to the Statement of Profit and Loss.
- c) **Treatment of exchange differences** : Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company related to current year transactions are recognised as income or expense in the Statement of Profit and Loss under the same head of accounts. The exchange difference arising on settlement / restatement of long-term foreign monetry items and related to earlier year items are recognised as a separate head of income or expense in the Statement of Profit and Loss.
- d) **Accounting of forward contracts** : Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetry items as at the Balance Sheet date. The MTM (Marked to Market) losses of outstanding forward exchange contracts are recognised in the Statement of Profit and Loss Account. In case of MTM (Marked to Market) profit arises of outstanding forward exchange contracts, the same was not to be provided.

2.11 Government grants, subsidies and export incentives :

In accordance with the Accounting Standards -12 (AS-12) "Accounting for Government Grants & Subsidies" issued by the Institute of Chartered Accountants of India, the Export benefits like Duty Entitlement Pass Book (DEPB) are covered as export subsidies and the same are accounted for in the year of such benefits actually materialised.

2.12 Employee benefits :

Employee benefits include employees provident fund, group gratuity fund.

a) Defined contribution plans

The Company's contribution to provident fund are considered as defined contribution plans and are charged as an expenses as they fall due based on the amount of contribution required to be

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

made. The Company makes regular contribution to Recognised Provident Fund (EPFO) which are fully funded and administered by the Central Government.

b) Defined benefit plans

For defined benefit plans in the form of group gratuity fund, the cost of providing benefits is determined using with the actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the balance Sheet represents the present value of defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any assets resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes. The Company contributes to the Group Gratuity Fund under a Group Gratuity Cash Accumulated Scheme with Life insurance Corporation of India (LIC) for future payment of gratuity liability to its employees.

c) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits includes leave encashment benefit of unutilised leave and bonus/exgratia are charged to Profit & Loss Account on each year on accrual basis. There are no rules for carried forward unutilised leave benefits.

2.13 Borrowing costs :

In accordance with the Accounting Standards - 16 (AS-16) "Accounting for Borrowing Costs" issued by the Institute of Chartered Accountants of India, the accounting for borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

2.14 Segment reporting :

In accordance with the Accounting Standards - 17 (AS-17) "Segment Reporting" issued by the Institute of Chartered Accountants of India, the Company has only one primary segment i.e. manufacturing of engineering goods like Liquified Petroleum Gas Regulator (LP Gas Regulator), accessories and parts thereof. The secondary segment of its geographical markets like domestic (within India) and exports (outside India) are reported regularly.

2.15 Earning per share :

In accordance with the Accounting Standards - 20 (AS-20) "Earning Per Share" issued by the Institute of Chartered Accountants of India, the Basic earning per share is computed by dividing the profit / (loss) after tax (including the post tax effects of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed by dividing the profit / (loss) after tax (including the post tax effects of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares. The company has not issued any shares during the year and no any extraordinary expenses incurred, hence the basic and diluted earning per shares of before and after extraordinary items are same.

2.16 Taxes on income :

In accordance with the Accounting Standards - 22 (AS-22) "Accounting for Taxes" issued by the Institute of Chartered Accountants of India, the provision for current income tax is the amount of tax

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred Tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

2.17 Impairment of assets :

In accordance with the Accounting Standards - 28 (AS-28) "Impairment of Assets" issued by the Institute of Chartered Accountants of India, the carrying amount of the fixed assets are reviewed at each Balance Sheet date. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised. An impairment loss is charged to the Statement of Profit and Loss in the year in which the assets is identified as impaired.

2.18 Provisions and contingencies :

In accordance with the Accounting Standards - 29 (AS-29) "Provisions and contingencies" issued by the Institute of Chartered Accountants of India, a provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.19 Hedge accounting :

In accordance with the Accounting Standards - 30 (AS-30) "Financial Instruments: Recognition and Measurement" issued by the Institute of Chartered Accountants of India, the company used foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward exchange contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in AS-30. These forward exchange contracts are stated at fair value of each reporting date. The MTM (marked to market) losses are provided on the Statement of Profit & Loss and the MTM (marked to market) profit, if any are disclosed in the Notes.

2.20 Derivative contracts :

The Company enters into derivative contracts in the nature of forward exchange contracts with an intention to hedge its existing assets and liabilities and highly probable transactions. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign Currency Transactions and Translations.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

The marked to market and losses are recognised in the Statement of Profit and Loss. Gain arising on the same are not recognised, until realised, on grounds of prudence.

2.21 Cenvat & VAT input credit :

Central excise duty payment elements and Service tax payment elements, both covered and allowable as Cenvat credit and state Value Added Tax payment elements allowable as VAT credit are accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the Cenvat and VAT credits.

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

3. SHARE CAPITAL

a) Authorised :

Equity Shares of ₹ 10/- each with voting right

b) Issued :

Equity Shares of ₹ 10/- each with voting right

c) Subscribed and fully paid-up (in cash) :

Equity Shares of ₹ 10/- each with voting right

As at 31st March, 2012		As at 31st March, 2011	
No. of Shares	₹	No. of Shares	₹
4000000	4,00,00,000	4000000	4,00,00,000
3000000	3,00,00,000	3000000	3,00,00,000
3000000	3,00,00,000	3000000	3,00,00,000

Notes : (i) Reconciliation of the number of shares and amount at the beginning and at the end of the reporting period:

Particulars

Beginning of the year i.e. opening Balances of Issued, Subscribed & Fully Paid-up Equity Shares with voting rights

End of the year i.e. closing Balances of Issued, Subscribed & Fully Paid-up Equity Shares with voting rights

As at 31st March, 2012		As at 31st March, 2011	
No. of Shares	₹	No. of Shares	₹
3000000	3,00,00,000	3000000	3,00,00,000
3000000	3,00,00,000	3000000	3,00,00,000

(ii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :

Particulars

Shares held by holding company, the ultimate holding Co., their subsidiaries and associates (with voting rights)

Shares held by "Group Company" as per Regulation 3(1)(e) of SEBI (SAST) & MRTTP Act, 1969 (with voting rights)

As at 31st March, 2012		As at 31st March, 2011	
No. of Shares	% of holding	No. of Shares	% of holding
NIL	N.A.	NIL	N.A.
403500	13.45%	403500	13.45%

(iii) Details of shares held by each shareholders holding more than 5% shares :

Name of the Shareholders

(all are Promoters Group with all are voting rights)

Dabriwala Constructions Private Limited
Asheesh Dabriwal
Kumkum Dabriwala
Nirmal Kumar Dabriwala

As at 31st March, 2012		As at 31st March, 2011	
No. of Shares	% of holding	No. of Shares	% of holding
385600	12.85%	385600	12.85%
662600	22.09%	662600	22.09%
180100	6.00%	180100	6.00%
982000	32.73%	982000	32.73%

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
4. RESERVES AND SURPLUS		
a) Securities Premium Account		
Balance as per last Account	10,00,000	10,00,000
b) General Reserve		
Balance as per last Account	9,83,00,000	7,23,00,000
Add : Transferred from Profit & Loss Account	3,57,00,000	2,60,00,000
Closing Balances of General Reserve	13,40,00,000	9,83,00,000
c) Surplus in Statement of Profit and Loss		
Balance as per Last Account	4,27,681	3,89,094
Add : Profit for the year	3,56,34,373	2,60,38,587
	3,60,62,054	2,64,27,681
Less : Amount transferred to General Reserve	(3,57,00,000)	(2,60,00,000)
Closing Balance of Profit & Loss Account	3,62,054	4,27,681
Total Reserves and Surplus	13,53,62,054	9,97,27,681

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
5. LONG-TERM BORROWINGS		
Deferred Payment Liabilities		
Deferred Sales Tax (W.B.VAT/S.Tax/C.S.T.)		
- Unsecured	7,61,692	17,82,867

Notes : The company was granted deferment of payment of sales tax (WB Sales tax/VAT/CST) for seven years from the date of collection of such sales tax as per section 40 of the West Bengal Sales Tax Act, 1994 vide Eligibility Certificate No. : EC(D)-154/(PS)/98-99/SC. The last date of payment of above deferment of sales tax is July, 2012.

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
6. SHORT-TERM BORROWINGS		
(a) Loans Payable on demand from Bank (Working Capital Loan) - Secured		
(i) Cash Credit Loan from The Royal Bank of Scotland (in ₹)	32,26,446	3,47,83,825
(ii) Packing Credit in Foreign Currencies from The Royal Bank of Scotland (Valued at the Closing Forex rate)	1,45,08,175	—
	1,77,34,621	3,47,83,825
(b) Loans from Related Parties (a Body Corporate) - Unsecured		
	—	1,65,00,000
	1,77,34,621	5,12,83,825

Notes : Loans Payable on demand means Working Capital Loans are secured by the 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 situated at Dhulagarh by way of collateral security.

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
7. TRADE PAYABLE		
(a) Micro, Small and Medium Enterprises	—	—
(b) Others - Creditors in respect of purchase of goods & services	41,70,925	1,18,18,108
	<u>41,70,925</u>	<u>1,18,18,108</u>

Notes : There are no transaction entered and delay in payment made to the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED Act.). The details of disclosures u/s. 22 of the MSMED Act are as below :

Sl. No.	Particulars	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
1.	Principal amount due and remaining unpaid	NIL	NIL
2.	Interest due on (1) above and unpaid interest	NIL	NIL
3.	Interest paid on all delayed payments under the MSMED Act.	NIL	NIL
4.	Payment made beyond the appointed day during the year	NIL	NIL
5.	Interest due and payable for the period of delay other than (3) above	NIL	NIL
6.	Interest accrued and remaining unpaid	NIL	NIL
7.	Amount of further interest remaining due and payable in succeeding years	NIL	NIL

8. OTHER CURRENT LIABILITIES	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
(a) Unclaimed Dividend - Deposited with a separate Banking A/c.	1,12,910	1,44,086
(b) Statutory Liabilities	5,23,125	3,12,666
(c) Others Liabilities for Expenses	7,94,159	5,44,779
(d) Advance from customers against sales	—	21,26,210
	<u>14,30,194</u>	<u>31,27,741</u>

9. SHORT-TERM PROVISIONS	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
Provision for Income Tax	1,81,35,984	1,34,29,694
Less : Advance Income Tax paid & Tax deposited at Source	(1,22,50,584)	(82,03,362)
Net of Advance Tax & TDS of Provision for Income Tax	<u>58,85,400</u>	<u>52,26,332</u>

NOTE - "10" OF TANGIBLE FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2012

TANGIBLE ASSETS	GROSS BLOCK				DEPRECIATION AND AMORTISATION					NET BLOCK	
	Opening As at 01.04.2011 ₹	Addition during the year ₹	Disposal during the year ₹	Total As at 31.03.2012 ₹	Opening As at 01.04.2011 ₹	Depreciation & Impairment during the year ₹	Disposal during the year ₹	Impairment losses during the year ₹	Total As at 31.03.2012 ₹	As at 31.03.2012 ₹	As at 31.03.2011 ₹
(a) Land (Freehold) :											
(i) Land with Factory - Dhulagarh	92,49,340	—	—	92,49,340	—	—	—	—	—	92,49,340	92,49,340
(ii) Land - Islampur	—	1,37,58,007	—	1,37,58,007	—	—	—	—	—	1,37,58,007	—
(b) Buildings (Own use) :											
(i) Factory Building - Dhulagarh	3,79,49,717	18,99,711	—	3,98,49,428	96,12,875	29,85,578	—	—	1,25,98,453	2,72,50,975	2,83,36,842
(ii) Fixed Electrical Installation in Building	42,14,763	—	—	42,14,763	15,91,747	3,64,862	—	—	19,56,609	22,58,154	26,23,016
(c) Plant & Equipment (own used) :											
(i) Plant & Machinery (other than Office Equipment and Computer)	7,67,22,890	76,09,441	24,44,511	8,18,87,820	3,81,30,613	74,59,741	24,08,737	35,774	4,31,45,843	3,87,41,977	3,85,92,277
(ii) Computer	14,66,077	26,260	1,33,129	13,59,208	4,08,979	4,36,277	1,33,129	—	7,12,127	6,47,081	10,57,098
(d) Furniture & Fixtures (Owned)	8,33,874	—	—	8,33,874	3,23,076	92,454	—	—	4,15,530	4,18,344	5,10,798
(e) Office Equipment (Owned)	2,81,027	—	—	2,81,027	1,95,930	11,837	—	—	2,07,767	73,260	85,097
(f) Motor Car (Owned)	50,98,529	—	—	50,98,529	18,48,184	8,41,514	—	—	26,89,698	24,08,831	32,50,345
GRAND TOTAL	13,58,16,217	2,32,93,419	25,77,640	15,65,31,996	5,21,11,404	1,21,92,263	25,41,866	35,774	6,17,26,027	9,48,05,969	8,37,04,813
PREVIOUS YEAR	10,97,57,294	3,45,62,213	85,03,290	13,58,16,217	5,01,48,798	1,01,75,339	81,19,422	93,311	5,21,11,404	8,37,04,813	5,96,08,496
Deduction of Cost Block & Depreciation Block represents :- The cost & depreciation of assets totally written off due to 100% depreciation provided and impairment of fixed assets totally written off											
DEPRECIATION & IMPAIRMENT RELATING TO CONTINUOUS OPERATION OF TANGIBLE ASSETS DURING THE YEAR AS BELOW						For the year end 31st March, 2012 (Amount in ₹)		For the year ended 31st March, 2011 (Amount in ₹)			
Depreciation expenses of Tangible Fixed Assets of continuing operation provided during the year						1,21,56,489		1,00,82,028			
Loss on Impairment of Tangible Fixed Assets of continuing operation provided during the year						35,774		93,311			
Depreciation & Impairment and Amortisation expenses relating to continuing operation of Tangible Fixed Assets provided						1,21,92,263		1,01,75,339			

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
11. DEFERRED TAX ASSETS (NET)		
Deferred Tax Assets arising on account of Depreciation on Fixed Assets	7,56,000	4,62,000
Less : Deferred Tax Liability on Excess of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)	(1,43,000)	(67,000)
	<u>6,13,000</u>	<u>3,95,000</u>
12. INVENTORIES		
(a) Raw Materials (including various Components)		
(i) Raw Materials (Brass, Zinc & Others)	1,46,00,305	1,75,63,374
(ii) Components-Indigenous (parts of Raw Materials)	1,53,59,846	2,35,69,593
(iii) Components-Imported (parts of Raw Materials)	12,39,277	44,31,000
(iv) Goods-in transit related to Raw Materials	<u>34,59,856</u>	<u>7,03,733</u>
(b) Finished Goods (Manufactured)	3,46,59,284	4,62,67,700
(c) Stores and Spares	9,53,243	16,87,180
(d) Scrap Materials (Brass Scrap & Zinc Ash)	53,71,147	58,16,285
	<u>80,61,450</u>	<u>74,28,685</u>
	<u>4,90,45,124</u>	<u>6,11,99,850</u>

- Notes : (1) Raw Materials (including various Components) & Stores and Spares are valued at Cost.
(2) Finished Goods (Manufactured) are valued at Cost or Market Value, whichever is less.
(3) Scrap Materials are valued at net realisable value
(4) The above stock are certified by the management and there are no changes of method of valuation since earlier year.
(5) Similarly there are no deviation in method of valuation of stock as prescribed U/S.145A of the Income Tax Act, 1961.

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
13. TRADE RECEIVABLES (Unsecured and Considered Good)		
Due for more than six months	—	—
Others	3,05,29,038	4,29,83,054
	<u>3,05,29,038</u>	<u>4,29,83,054</u>
14. CASH AND CASH EQUIVALENTS		
(a) Cash in Hand	5,12,306	2,69,345
(b) Balances with Banks		
(i) In Current Accounts	1,04,42,083	10,24,276
(ii) In Unpaid Dividend Account for unclaimed dividend	1,12,910	1,44,086
	<u>1,05,54,993</u>	<u>11,68,362</u>
	<u>1,10,67,299</u>	<u>14,37,707</u>

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

	As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
15. SHORT-TERM LOANS AND ADVANCES (Unsecured and Considered Good)		
(a) Staff advances of Key Management Personnel as per AS-18 "Related party Transaction" Chief Operating Officer-cum-Executive Director	19,500	99,500
(b) Security Deposits	24,10,896	25,10,896
(c) Other Staff Advances	6,91,182	8,10,096
(d) Prepaid Expenses	8,40,600	5,69,833
(e) Balances with Government Authorities		
(i) Excise duty Cenvat Credit Receivable	18,70,088	21,32,439
(ii) Rebate on Export of Excise Duty Receivable	4,40,968	43,89,039
(iii) VAT Credit Receivable	20,23,508	17,13,051
(iv) Service Tax Cenvat Credit Receivable	53,152	52,709
(v) Fringe Benefit Tax Refundable	—	35,357
(f) Advance recoverable in cash or in kind or for value to be received	43,87,716	83,22,595
	<u>5,03,021</u>	<u>7,31,787</u>
	<u>88,52,915</u>	<u>1,30,44,707</u>
16. OTHER CURRENT ASSETS		
Excess of Funded Value of Group Gratuity Liability over Actuarial Valuation as per Accounting Standard-15 (Revised)	4,31,541	2,01,423

	For the year ended 31st March, 2012 (Amount in ₹)	For the year ended 31st March, 2011 (Amount in ₹)
17. REVENUE FROM OPERATIONS		
(a) Export Sale of "LPG Regulators, its parts & accessories"	24,92,18,780	23,72,93,148
Less : Export Sale Return of above product	—	(28,53,077)
Net Export Sale of "LPG Regulators, its parts & accessories"	24,92,18,780	23,44,40,071
(b) Domestic Sale of "Zinc Ash" (Scrap Materials - inclusive of excise duty)	43,237	37,502
(c) Profit on Sale of Duty Entitlement Pass Book	4,81,476	—
Revenue from Operations (Gross)	24,97,43,493	23,44,77,573
Less : Excise duty components of Sale of "Zinc Ash" (Scrap Materials)	(4,037)	(3,502)
Revenue from Operations (Net)	<u>24,97,39,456</u>	<u>23,44,74,071</u>

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

	For the year ended 31st March, 2012 (Amount in ₹)		For the year ended 31st March, 2011 (Amount in ₹)	
18. OTHER INCOME				
(a) Interest Income (TDS ₹ 31,796/-, Previous Year TDS ₹ 9,712/)	1,71,456		1,235	
(i) Interest from Banks on Fixed Deposits	—		1,28,295	
(ii) Interest on Income Tax Refund	1,46,504	3,17,960	97,119	2,26,649
(iii) Interest from WBSEDCL on Security Deposits	—	—	—	18,000
(b) Dividend Income from Current Investments	—	—	—	4,78,968
(c) Net Gain on Sale of Current Investments	—	—	—	33,521
(d) Net Unrealised Forex Gain due to rate Fluctuation	—	—	—	18,703
(e) Miscellaneous Receipt	24,545	2,741	—	12,568
(f) Sundry balances written back (net)	—	—	—	44,443
(g) Profit on Sale of Fixed Assets	—	2,30,118	—	16,044
(h) Provisions no Longer required written back	—	5,75,364	—	8,48,896
19. COST OF MATERIAL CONSUMED				
Opening Stock of Raw Materials & Components	1,75,63,374		1,34,44,502	
(a) Raw Materials (Brass, Zinc & Others)	2,35,69,593		1,20,07,225	
(b) Components-Indigenous (parts of Raw Materials)	44,31,000		22,80,621	
(c) Components-Imported (parts of Raw Materials)	7,03,733		11,67,293	
(d) Goods-in transit related to Raw Materials	74,28,685	5,36,96,385	60,07,290	3,49,06,931
(e) Scrap Materials (Brass Scrap & Zinc Ash)				
Add : Net of Purchase of Raw Materials & various components (inclusive of their freight etc. as per AS-2)				
(i) Indigenous Purchase of Raw Materials & Components	10,57,37,879		13,51,55,920	
(ii) Imported Components	—	10,57,37,879	95,14,932	14,46,70,852
(Less) : Closing Stock of Raw Materials & Components				
(a) Raw Materials (Brass, Zinc & Others)	(1,46,00,305)		(1,75,63,374)	
(b) Components-Indigenous (parts of Raw Materials)	(1,53,59,846)		(2,35,69,593)	
(c) Components-Imported (parts of Raw Materials)	(12,39,277)		(44,31,000)	
(d) Goods-in transit related to Raw Materials	(34,59,856)		(7,03,733)	
(e) Scrap Materials (Brass Scrap & Zinc Ash)	(80,61,450)	(4,27,20,734)	(74,28,685)	(5,36,96,385)
Net Cost of Raw Materials & Components Consumed		11,67,13,530		12,58,81,398
19.1 The Consumption of Raw materials consists Geographical :				
(a) Indigenous Consumption of Raw Materials etc.	11,35,21,807		11,85,16,845	
(b) Imported Consumption of Raw Materials etc.	31,91,723	11,67,13,530	73,64,553	12,58,81,398
19.2 The Consumption of Raw materials consists Material wise :				
(a) Zinc Alloys	2,54,00,591		2,59,16,925	
(b) Brass Rod/HEX	4,81,39,937		4,31,62,895	
(c) Others (each value less than @ 10% of purchase)	4,31,73,002	11,67,13,530	5,68,01,578	12,58,81,398
19.3 The Value of Imports on CIF Basis :				
(a) Raw Materials & Components	—		95,14,932	
(b) Capital Goods	—	—	3,89,524	99,04,456

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

	For the year ended 31st March, 2012 (Amount in ₹)	For the year ended 31st March, 2011 (Amount in ₹)
20. DECREASE / (INCREASE) IN INVENTORIES OF FINISHED GOODS		
Opening Stock of Finished Goods at the beginning of the year	16,87,180	14,19,387
(Less) : Closing Stock of Finished Goods at the end of the year	(9,53,243)	(16,87,180)
Net Decrease/(Increase) in Inventories of Finished Goods	<u>7,33,937</u>	<u>(2,67,793)</u>
21. EMPLOYEE BENEFITS EXPENSE		
(a) Salaries and Wages	1,54,47,960	1,24,66,214
(b) Employers Contribution to Provident Fund & other funds		
(i) Employers Contribution to Provident Fund etc.	15,29,487	12,18,945
(ii) Employers Contribution to Group Gratuity Fund with LIC	<u>2,60,748</u>	<u>78,540</u>
	17,90,235	12,97,485
(c) Staff Welfare Expenses (inclusive of Stipend paid to trainee)		
(i) Employers Contribution to ESI	3,10,035	2,72,138
(ii) Employers Contribution to Welfare Fund	930	960
(iii) Other Staff Welfare Expenses (inclusive of Stipend paid to trainee)	<u>30,76,826</u>	<u>28,61,229</u>
	<u>33,87,791</u>	<u>31,34,327</u>
	<u>2,06,25,986</u>	<u>1,68,98,026</u>

21.1 As per Accounting Standard -15 (Revised) - "Employees Benefit", the disclosure defined in the Accounting Standard are as below :-

- I Defined Contribution Plans :** The Company's Contribution to Recognised Provident Fund with "Employees Provident Fund Organisation" is covered under defined Contribution plan & the disclosure are as below :-

Particulars	Current Year 31/03/12 (Amount in ₹)	Previous Year 31/03/11 (Amount in ₹)
Employer's Contribution to Provident Fund etc.	<u>15,29,487</u>	<u>12,18,945</u>

- II Defined Benefit Plan :** The disclosure for defined benefit plans based on actuarial report of Funded with Life Insurance Corporation of India as "Gratuity Benefit" as per Accounting Standard -15 (Revised) are as below :-

Particulars	Current Year 31/03/12 [Gratuity Funded - in ₹]	Previous Year 31/03/11 [Gratuity Funded - in ₹]
A. Change in Present Value of Defined Benefit Obligations		
Present Value of Defined Benefit Obligations as at the beginning of the year	28,68,326	24,85,942
Interest Cost	2,29,466	2,30,875
Current Service Cost	3,04,764	1,70,090
Benefits paid by the Funded Group Gratuity Schemes	(1,30,142)	(99,240)
Net of Actuarial (Gains)/Losses recognised during the year	(2,44,388)	80,659
Present Value of Defined Benefit Obligations as at the end of the year	<u>30,28,026</u>	<u>28,68,326</u>

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

21.1 As per Accounting Standard -15 (Revised) - "Employees Benefit", the disclosure defined in the Accounting Standard are as below (continuing) :-

	Current Year 31/03/12 [Gratuity Funded - in ₹]	Previous Year 31/03/11 [Gratuity Funded - in ₹]
B. Change in the Fair Value of Plan Assets :		
Fair Value of the Plan Assets at the beginning of the year	30,69,749	28,51,074
Expected / Actual Return on the Plan Assets	2,85,886	2,59,285
Contribution paid by the Employer under Group Gratuity Fund	2,34,074	58,630
Benefit paid by the Funded Schemes from Group Gratuity Fund	(1,30,142)	(99,240)
Actuarial Gain / (Loss) of the Plan Assets	—	—
Fair Value of the Plan Assets at the end of the year	34,59,567	30,69,749
C. Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets :		
Present Value of Defined Benefit Obligation as at the end of the year	30,28,026	28,68,326
Fair Value of the Plan Assets at the end of the year	34,59,567	30,69,749
(Assets) recognised in the Balance Sheet as "Current Assets"	(4,31,541)	(2,01,423)
D. Expenses recognised in the Profit & Loss Account :		
Current Service Cost	3,04,764	1,70,090
Life Cover Premium paid (inclusive of Service Tax) under Group Gratuity Fund to LIC	25,019	19,910
Statutory Audit Fees of Group Gratuity Fund paid	1,655	
Interest Cost	2,29,466	2,30,875
Expected / Actual Return on the Plan Assets	(2,85,886)	(2,59,285)
Net of Actuarial Losses recognised during the year	(2,44,388)	80,659
Total of Net Expenses recognised in the Profit & Loss Account* (See Note "G")	30,630	2,42,249
E. Investment Details (% of Total Invested) :		
Life Insurance Corporation of India		
- Insurance Policies	100.00%	100.00%

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

21.1 As per Accounting Standard -15 (Revised) - "Employees Benefit", the disclosure defined in the Accounting Standard are as below (continuing) :-

	Current Year 31/03/12 [Gratuity Funded - in ₹]	Previous Year 31/03/11 [Gratuity Funded - in ₹]
F. Principal Actuarial Assumption used :		
Discounted Rate (per annum) Compound	8.00%	8.00%
Expected Rate of Return on Plan Assets	9.15%	9.15%
Rate of Salary increase (per annum)	5.50%	6.50%
Mortality Rate	LIC Ultimate (1994-96)	LIC Ultimate (1994-96)
(*)G. DEBITED IN PROFIT & LOSS ACCOUNT (NET)		
Total of Employers Contribution paid to Group Gratuity Fund for LIC Contribution & Statutory Audit Fees Debited to P & L A/c.	2,60,748	78,540
(Less) : Net of Gratuity liability written back - Credited to P & L A/c.	(2,30,118)	—
Add : Net of Provision for Gratuity Debited to Profit & Loss A/c.	—	1,63,709
	30,630	2,42,249

21.2 Leave Encashment benefit for unutilised leave are encashed at the end of year and charged to Profit & Loss Account under the head of "Salary & Wages". There are no rules for any carried forward unutilised leave benefit.

	Current Year 31/03/12 (Amount in ₹)	Previous Year 31/03/11 (Amount in ₹)
22. FINANCE COSTS		
(a) Interest Expenses on :		
(i) Working Capital Borrowing from Bank	9,27,202	19,94,836
(ii) Short-term Borrowing from a Body Corporate (Related party as per AS-18)	7,27,885	17,86,534
Sub-total of Interest Expenses	16,55,087	37,81,370
(b) Other Borrowing Costs :		
(i) Loan Processing Charges paid to bank	3,00,000	2,20,000
(ii) Stock Audit Fees for working capital loan	14,744	14,019
Sub-total of Other borrowing costs	3,14,744	2,34,019
(c) Net Loss on unpaid foreign currencies of packing credit loan payable to Bank due to fluctuation of rate	3,68,792	—
	23,38,623	40,15,389

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

23. OTHER EXPENSES	Current Year 31/03/12 (Amount in ₹)		Previous Year 31/03/11 (Amount in ₹)	
(a) Consumption of Stores and Spare Parts - @100% Indigenous		1,11,91,440		83,32,844
(b) Power & Fuel		77,96,693		69,04,947
(c) Brass Rod Conversion Charges		58,79,168		61,74,723
(d) Freight and Forwarding				
(i) Freight Outward Expenses (Net) :				
Gross Freight Outward Expenses	23,87,964		36,82,038	
(Less) : Freight received from Customers in Forex	(5,48,803)		(11,78,285)	
Net of Freight Outward Expenses	18,39,161		25,03,753	
(ii) Packaging & Forwarding Expenses	28,24,990		21,34,787	
(iii) Freight, loading & unloading Charges	3,12,856	49,77,007	4,41,788	50,80,328
(e) Travelling and Conveyance				
(i) Travelling Expenses	32,61,895		16,05,435	
(ii) Local Conveyance Expenses	84,074		96,393	
(iii) Car/Bus Hire Charges for Staff	12,07,016		10,85,146	
(iv) Motor Car Expenses	6,37,027		6,48,138	
(v) Motor Cycle Expenses	30,584	52,20,596	36,940	34,72,052
(f) Legal & Professional Charges (other than Finance Cost)				
(i) Consultancy Fees (other than Finance Cost)	20,06,982		21,76,790	
(ii) Internal Audit Fees	18,795	20,25,777	25,060	22,01,850
(g) Repairs & Maintenance				
(i) Repairs & Maintenance - Buildings	9,60,468		2,59,148	
(ii) Repairs & Maintenance - Machinery	9,28,773		11,05,041	
(iii) Repairs & Maintenance - Others	66,312	19,55,553	71,131	14,35,320
(h) Advertisement & Business Promotion Expenses :				
(i) Statutory Advertisement	19,305		16,380	
(ii) Other Advertisement	96,364		64,400	
(iii) Business Promotion Expenses	59,253		1,69,979	
(iv) Trade Fair Exhibition Expenses	7,21,888	8,96,810	5,10,607	7,61,366
(i) Insurance		7,56,091		7,50,402
(j) Communication Expenses				
(i) Telephone & Internet Charges	3,95,477		3,83,980	
(ii) Postage & Telegram	2,85,506	6,80,983	2,40,009	6,23,989
(k) Testing & Certification Charges				
(i) Testing & Certification Charges	5,43,155		5,20,679	
(ii) ISI Marking Fees paid to BIS	60,004	6,03,159	—	5,20,679
(l) Security Service Charges		5,71,271		5,20,226
(m) Commission paid		3,17,642		2,63,646
(n) Bank Charges (Other than Finance Cost)		3,13,494		4,60,462
(o) Printing & Stationery		3,04,827		2,13,971
(p) Rent, Rates & Taxes				
(i) Office Rent	42,000		42,000	
(ii) Rates & Taxes	1,32,955	1,74,955	4,48,740	4,90,740
(q) Donation & Contribution :				
(i) Donation	10,000		7,500	
(ii) Fees & Subscription	27,575	37,575	24,266	31,766
(r) Payment & Provision to Auditors Remuneration :-				
(i) Statutory Audit Fees provided	35,000		35,000	
(ii) Tax Audit Fees provided	15,000		15,000	
(iii) Certification Fees paid	7,000	57,000	10,000	60,000
(s) Non-Executive Director's Sitting Fees		40,000		12,000
(t) Net Realised Forex Loss due to rate Fluctuation		66,189		—
(u) Provision for Gratuity		—		1,63,709
(v) Miscellaneous Expenses :				
(i) Sundry Expenses	2,04,433		3,90,375	
(ii) Books & Periodicals	34,384	2,38,817	39,932	4,30,307
		4,41,05,047		3,89,05,327

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

24. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS & OTHERS ACCOUNTING STANDARDS

24.1 Contingent liabilities (to the extent not provided for)
Liabilities of WB VAT demand of F.Y. 2007-08 as per CTO order dated 30/06/10 not provided as appeal made before JCCT. The JCCT Order dt. 29/08/11 has received against the appeal with reduced demand. The same has not provided due to non receipt of revised order from CTO.

As at 31st March, 2012 (Amount in ₹)	As at 31st March, 2011 (Amount in ₹)
5,769	2,85,172

24.2 Details on derivatives instruments and unhedged foreign currency exposures

A Only one derivative as "Forward exchange contracts" is open as on 31st March, 2012. These transactions have been undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may/may not qualify or designated as hedging instruments. The Forward exchange contracts, which are not intended for trading or speculative purpose but for hedge purposes to establish the amount of reporting currency available at the settlement date of certain receivables. The accounting for these transactions is stated in Notes of accounts. The details of exposures are as below:-

(i) Details of Forward exchange contracts exposures are as below :-

Particulars	Curren- cies	Current Year 31/03/12 (in Foreign Currencies)	Previous Year 31/03/11 (in Foreign Currencies)
(a) Opening forward exchange contract as on the beginning of the year for Export Receivables	USD	\$4,02,132	—
(b) Forward exchange contracts made during the financial year for Export Receivables	USD	\$24,10,000	\$10,50,000
..... do	GBP	£2,57,000	£30,000
(c) Forward exchange contracts materialised during the year from Export Receivables	USD	\$21,91,344	\$6,47,868
..... do	GBP	£2,57,000	£30,000
(d) Forward exchange contract cancelled during the year due to Export Receivable not realised within the estimated contract time	USD	\$20,788	—
(e) Closing forward exchange contract as on the end of the year for Export Receivables	USD	\$6,00,000	\$4,02,132

B Details of Hedged Foreign Currencies Exposures as on the year ended valued at the Closing Exchange Rate

Particulars	Curren- cies	As at 31st March, 2012 (in Currencies)	As at 31st March, 2011 (in Currencies)
(a) Export Receivables in Foreign currencies as on year ended - valued at closing exchange rate	USD	\$5,59,836	\$4,02,132
(b) MTM-Profit on Outstanding forward exchange contracts as on year ended -Not to be recognised	Rupee	₹ 1,86,000	₹ 3,05,493
(c) MTM-Loss, if any on Outstanding forward exchange contracts as on year ended - to be recognised	Rupee	—	—

C Details of Unhedged Foreign Currencies Exposures as on the year ended valued at the Closing Exchange Rate

Particulars	Curren- cies	As at 31st March, 2012 (in Currencies)	As at 31st March, 2011 (in Currencies)
(a) Export Receivables in Foreign currencies as on year ended - valued at closing exchange rate	USD	—	\$4,97,958
..... do	GBP	£19,156	£27,919

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

24.2 Details on derivatives instruments and unhedged foreign currency exposures (continuing)

C Details of Unhedged Foreign Currencies Exposures as on the year ended valued at the Closing Exchange Rate (Cont'd)

Particulars	Curren- cies	As at 31st March, 2012 (in Currencies)	As at 31st March, 2011 (in Currencies)
(b) Advance Packing Credit	USD	\$2,84,781	—
(c) Advance received against export from customers	USD	—	\$47,888

D Details of Unhedged Foreign Currencies Exposures as on the year ended valued on booking rate only

Particulars	Curren- cies	As at 31st March, 2012 (in Currencies)	As at 31st March, 2011 (in Currencies)
Advance paid against expenses	EURO	12,702	5,828

24.3 Expenditure in Foreign Currency :

	Current Year 31st March, 2012 (Amount in ₹)	Previous Year 31st March, 2011 (Amount in ₹)
Travelling Expenses	24,80,097	8,30,380
Trade Fair & Exhibition Expenses (net of pmt.)	3,57,930	2,51,630
Testing & Certification Expenses	4,67,149	4,67,631
Bank Charges	1,06,993	68,691
Books & Periodicals	16,944	33,565
Miscellaneous Expenses	—	1,59,558
Interest on Packing Credit	1,38,690	—
Advance paid against Trade Exhibition expenses	8,39,476	3,63,959
Total Expenditure in Foreign Currency	44,07,279	21,75,414

24.4 Earning in Foreign Exchange :

Net Export of Manufactured Goods calculated on FOB basis	24,92,18,780	23,44,40,071
Reimbursement of Freight Outward Expenses	5,48,803	11,78,285
Total Earning in Foreign Currency	24,97,67,583	23,56,18,356

24.5 Details of Government Grants -

As per Accounting Standards (AS) -12 :

Government grants received by the Company during the year towards - Other Incentive like
Profit on Sale of Duty Entitlement Pass Book (DEPB)

	Current Year 31st March, 2012 (Amount in ₹)	Previous Year 31st March, 2011 (Amount in ₹)
	4,81,476	—

24.6 Details of Segment Information - As per Accounting Standards (AS) -17 :

- (a) **Information about Primary Business Segments :-** The Company is primarily engaged in the business of manufacturing of Engineering Goods like Liquified Petroleum Gas Regulator (LP Gas Regulator), Accessories and 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 as AS-17 in this regard are not applicable.

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

24.6 Details of Segment Information - As per Accounting Standards (AS) -17 (Cont'd.)

(b) Information about Secondary Business Segments :

	Current Year 31/03/2012 (Amount in ₹)		Previous Year 31/03/2011 (Amount in ₹)	
[i] Revenue by Geographical Markets				
Revenue from Operation : Export	24,92,18,780		23,44,40,071	
Revenue from Operation : Domestic	5,24,713	24,97,43,493	37,502	23,44,77,573
[ii] Segment Assets by Geographical Markets				
Total Assets in India	16,52,61,030		16,07,06,989	
(other than Export receivable)	3,00,83,856	19,53,44,886	4,22,59,565	20,29,66,554
Export receivable represents outside India				
[iii] Capital Expenditure incurred during the year				
In Domestic Markets	2,32,93,419		3,41,72,689	
In Export Markets	—	2,32,93,419	3,89,524	3,45,62,213

24.7 Details of Related Party Transaction - As per Accounting Standards (AS) -18 :

A) List of Related Parties :-

(a) Main promoters holding more than twenty percent as substantial interest of the Company and have Significance influence over the activity :-

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

(b) Key Management Personnel & their Relative involved in Companies activities :-

- Sri Asheesh Dabriwal - Managing Director & Chief Executive Officer of the Company.
- Smt. Anjum Dhandhanania-Non Executive Director of the Company (sister of Managing Director Sri Asheesh Dabriwal)
- Smt. Dolly Dabriwal - Executive (left service w.e.f. 19/09/2011 - wife of Managing Director Sri Asheesh Dabriwal).
- Sri Janak Bhardwaj - Executive Director & Chief Operating Officer of the Company.

(c) Enterprises where Key Managerial Personnel & their Relatives have substantial interest and/or significance influence i.e. "Group Company" :

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

B) The Company has entered into transactions with certain parties as listed above during the year under consideration. Full disclosures have been made and the board considers such transactions as being in the normal course of business at rates agreed between parties. Details of related party transactions during the year ended 31st March, 2012 and balances outstanding as at 31st March, 2012 :

(a) Related party transaction during the year ended 31st March, 2012		Current Yr. 31/03/12 (₹)	Previous Yr. 31/03/11 (₹)
Head of Accounts (Name in case of more than 10%)	Categories of Related Party		
Employees Benefit Expenses incurred for Key Personnel			
a) Salary & Wages	Key Personnel Management	19,91,402	17,32,264
b) Employers Contribution to Provident Fund	Key Personnel Management	2,23,690	1,96,772
c) Employers Contribution to ESI	Key Personnel Management	2,053	4,674
Non-Executive Director's Sitting Fees paid to Anjum Dhandhanania			
	Key Personnel Management	10,500	3,000
Interest on Loan paid to Dabriwala Constructions Pvt. Ltd.			
	Group Company	7,27,885	17,86,534
Office Rent paid to Dabriwala Constructions Pvt. Ltd.			
	Group Company	42,000	42,000
Total of Related Party Transaction during the year		29,97,530	37,65,244
(b) Outstanding of Related party transaction as at 31st March, 2012			
Short term borrowings from Dabriwala Constructions Pvt. Ltd - Group Company			1,65,00,000
Outstanding Staff Advance	Key Personnel Management	19,500	99,500
Total of Related Party Transaction outstanding as at year ended		19,500	1,65,99,500

Notes Forming Part of The Financial Statements for the year ended 31st March. 2012

24.8 Details of Earning Per Shares - As per Accounting Standards (AS) - 20

Basic & Diluted (excluding and including Extraordinary items) of Earning Per Share on Continuing Operation as well as Total Operations

Net Profit for the year from Continuing Operations attributable to the equity shareholders (Amount in ₹)

Weighted average number of equity shares of ₹ 10/- each per Value (in numbers)

Basic & Diluted (excluding & including Extraordinary items) Earning Per Shares on Continuing Operations as well as Total Operations (Amount in ₹)

Current Yr. 31/03/12 (₹)	Previous Yr. 31/03/11 (₹)
3,56,34,373	2,60,38,587
30,00,000	30,00,000
₹ 11.88	₹ 8.68

24.9 Details of Deferred Tax Assets - As per Accounting Standards (AS) - 22 :

- During the year, the Company recorded the cumulative net timing difference as a "Deferred Tax Assets" up to 31st March, 2012 of ₹ 6,13,000 (Previous Year of ₹ 3,95,000). The Net Deferred Tax (Assets) of ₹ 2,18,000 credited to Profit & Loss Account for the year ended 31st March, 2012. (Previous Year of Net Deferred Tax Liabilities of ₹ 2,47,000 debited to Profit & Loss Account)
- In the current financial year Income Tax Liability for the year ended 31st March, 2012 has been determined after taking into consideration the benefits available under the provisions of the Income Tax Act, 1961 and accordingly ₹ 1,81,35,984 (Previous year ₹ 1,34,29,694) for Income Tax, has been provided and same is, in the opinion of the Management, adequate.
- The Income-Tax assessment of the Company has been completed up to Assessment Year 2011-2012. However, the Income Tax related to earlier assessment year of ₹ 53,077, has been provided. 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.

24.10 Previous Year Figures :

The Revised Schedule VI has become effective from 1st April, 2011 as per notification issued by the Central Government for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

24.11 Other Information :

Other information required by Revised Schedule VI of the Companies Act, 1956 are either nil or not applicable in the circumstances of the Company.

SIGNATORIES TO NOTES "1" TO "24.11"

4E, Jain Centre,
34A, Metcalfe Street,
Kolkata - 700 013
The 18th day of July, 2012

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



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 **TWENTY-FIRST ANNUAL GENERAL MEETING** of the Company to be held on Friday, 7th September, 2012 at 11.00 A.M. and / or any adjournment thereof.
As witness my / our hand(s) this day of 2012.
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

Twenty-First 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 Twenty-First Annual General Meeting held on Friday, 7th September, 2012.

.....
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 / 9626 / 7929