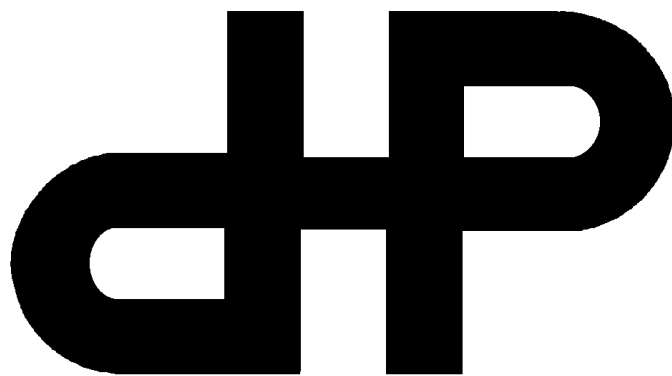


DHP INDIA LIMITED

[Corporate Identification Number (CIN) : L65921WB1991PLC051555]



**TWENTY-THIRD
ANNUAL REPORT
AND ACCOUNTS
2013-2014**

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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 MANAGERIAL PERSONNEL :

| | |
|-------------------|--|
| ASHOK KUMAR SINGH | : Chief Financial Officer (C.F.O.) |
| ADINATH BANERJEE | : Company Secretary-cum-Compliance Officer |
| BANKER | : CITI BANK N.A. |

AUDITORS :

| | |
|--------------------------|---|
| Statutory & Tax Auditors | : M/s. NAVIN NAYAR & CO., Chartered Accountants, 4E, Jain Centre, 34A, Metcalfe Street, Kolkata – 700 013. |
| Cost Auditors | : M/s. K. MAJUMDAR & ASSOCIATES, Cost Accountants, 38/11, M. C. Garden Road, Kolkata – 700 030. |
| Internal Auditors | : M/s. G. L. SINGHAL & CO., Chartered Accountants, 23A, Netaji Subhas Road, 4th Floor, Room No. 7A, Kolkata – 700 001. |

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 :

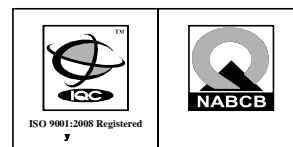
THE CALCUTTA STOCK EXCHANGE LTD. [Securities Code No.10014058]
BOMBAY STOCK EXCHANGE LTD. [Securities Code No. 531306]

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-Third Annual General Meeting** of the Members of DHP INDIA LIMITED (the Company) will be held on Friday, the 19th September, 2014 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, 2014 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 declare dividend on Equity Shares.
- 3) To appoint Directors in place of Sri Janak Bhardwaj (DIN: 00047641), who retire by rotation and, being eligible, offer himself for re-appointment.
- 4) To appoint the Statutory Auditors and to fix their remuneration.

SPECIAL BUSINESS

- 5) **Appointment of Sri Buddhadeb Basu (DIN: 00061771) as an Independent Director (Non-rotational Director) of the Company.**

To consider and if thought fit to pass with or without modification(s) of the following resolution as an **Ordinary Resolution** :

“RESOLVED that pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri Buddhadeb Basu (DIN: 00061771), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director (Non-Rotational Director) of the Company for a further period of five years with effect from September 19, 2014 up to September 18, 2019.”

- 6) **Appointment of Dr. Subrata Haldar (DIN: 00089655) as an Independent Director (Non-rotational Director) of the Company.**

To consider and if thought fit to pass with or without modification(s) of the following resolution as an **Ordinary Resolution** :

“RESOLVED that pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. Subrata Haldar (DIN: 00089655), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director (Non-Rotational Director) of the Company for a further period of five years with effect from September 19, 2014 up to September 18, 2019.”

7) **Appointment of Sri Vijay Swaminathan (DIN: 03505029) as an Independent Director (Non-rotational Director) of the Company.**

To consider and if thought fit to pass with or without modification(s) of the following resolution as an **Ordinary Resolution** :

“RESOLVED that pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Sri Vijay Swaminathan (DIN: 03505029), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director (Non-Rotational Director) of the Company for a further period of five years with effect from September 19, 2014 up to September 18, 2019.”

8) **Re-appointment of Sri Asheesh Dabriwal (DIN: 00044783) as Managing Director (Non-rotational Director) of the Company.**

To consider the approval of re-appointment of Sri Asheesh Dabriwal (DIN: 00044783), as Managing Director of the Company w. e. f. 01/04/2014 to 31/03/2019 (5 years) who vacates his office on 31/12/2014 and seeking re-appointment, if thought fit, to pass with or without modification, the following Resolution as an **Ordinary Resolution** :

“RESOLVED THAT pursuant to sections 198, 269, 309 and all other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof, read with schedule XIII to the Act, and pursuant to section 149, 152, 196, 197, and 203 with Schedule V and all other applicable provisions of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof for the time being in force), and accordance with Article 164 of the Articles of Association of the Company, the approval of the Company be and is hereby accorded to the re-appointment of Sri Asheesh Dabriwal (DIN: 00044783), as Managing Director of the Company, for a period of 5 years with effect from 01/04/2014 to 31/03/2019, as per terms & condition including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting.”

“FURTHER RESOLVED THAT Mr. Asheesh Dabriwal (DIN: 00044783), Managing Director of the Company shall not be subject to retirement by rotation during his tenure as Managing Director.”

Registered Office :
10, Middleton Row, Kolkata – 700 071.
Corporate Identification Number (CIN) : L65921WB1991PLC051555
Dated : 18th July, 2014

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,**
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall act as a proxy for any other person or shareholder.
- 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, retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board of Directors of the Company commends their re-appointments.
- 3) Brief resume of Directors proposed to be appointed as per item No.3, 5, 6, 7, as above, and re-appointment of Managing Director as per item No.8 as above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- 4) A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 13th September, 2014 to Friday, the 19th September, 2014 (both days inclusive). Share transfer received in order by the Company at its Registered Office at 10, Middleton Row, Kolkata- 700 071 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 by the close of business on Friday, the 12th September, 2014, will be eligible for payment of dividend, if declared in following manner :-
 - (a) To those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfer in physical form lodged with the Company on or before Friday, the 12th September, 2014, or
 - (b) In respect of shares held in electronic form, to those “Deemed members” whose names appear in the statement of beneficial ownership furnished by the National Securities Depository Ltd., (NSDL) and Central Depository Services (India) Ltd., (CDSL) as at the end of business day hours on Friday, the 12th September, 2014.
- 6) Members are requested to bring their copies of the Reports and Accounts to the Meeting. Members seeking any information or clarification on the Accounts are requested to send, in writing, queries to the Company, at least one week before the date of the meeting. Replies will be provided, in respect of such written queries, only at the meeting.
- 7) Members/Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 8) In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.



- 9) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
- 10) Members holding shares in physical form are requested to notify any change in their address and particulars of their bank account immediately to the Company at its Registered office or its Registrar & Share Transfer Agents Office M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700 001. The following particulars are required :-
 - a) Name of First/Sole Shareholder and their Folio Number.
 - b) Name of Bank, complete address of Branch & IFS Code Number.
 - c) Account Type, whether savings or current account and account number allotted by Bank.
- 11) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company as per applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions if any, given by them in respect of shares held in physical form will not be automatically applicable on shares held in electronic form. Members may, therefore, give instruction regarding bank account to their Depository participants.
- 12) At present the Company's equity shares are listed on the Stock Exchanges at Kolkata and Mumbai and listing fees for the current financial year 2014-2015 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 2014-2015 have been paid to all the aforesaid Depositories.
- 13) All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
- 14) The Securities and Exchange Board of India (SEBI) has mandated to submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company and or its Registrars & Share Transfer Agents.
- 15) 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.
- 16) Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2006 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, 2006 to the Investor Education and Protection Fund (IEP Fund). Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting on the website of the Ministry

of Corporate Affairs.

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. | 31/03/2010 | 31/08/2010 | 30/08/2017 | 29/09/2017 |
| 2. | 31/03/2013 | 23/09/2013 | 22/10/2020 | 21/10/2020 |

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.

17) Payment of dividend, if any approved by the members of ensuing Annual General Meeting will be made through ECS/NECS mandatory, and the dividend amount would be directly credited to the Member's respective bank accounts.

18) Shareholders are requested to give us their valuable suggestions for improvement of our investor services.

19) Voting through Electronic means :

I) In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

II) Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting.

III) The instruction for shareholders voting electronically are as under :

(i) The voting period begins on Saturday, September 13, 2014 (9.00 a.m. IST) and ends on Monday, September 15, 2014 (6.00 p.m. IST). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, August 1, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.

(iii) Click on "Shareholders" tab.

(iv) Now, select the "**DHP INDIA LIMITED**" from the drop down menu and click on "SUBMIT"

(v) Now Enter your User ID :

a. For CDSL : 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below.

| For Members holding shares in Demat Form and Physical Form | |
|---|---|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/ Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr / Mrs / Smt / Miss / Ms / M/s etc. <p>Example: (1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p> |
| DOB | <p>Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.</p> |
| Dividend Bank Details | <p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Bank Account Number in order to login. If both the details are not recorded with the Depository Participant or Company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on cut-off date (record date) of Friday, August 1, 2014. |

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended



not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "Resolutions File Link" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the Image Verification Code and click on Forgot Password & enter the details as prompted by the system.

(xix) **Notes for Institutional Shareholders :**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp & signed of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

- 20) Mr. Sushil Tiwari, Practicing Company Secretary (Membership No. ACS 6199), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

- 21) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- 22) The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.dhpindia.com and on the website of CDSL viz www.cdslindia.com within two days of the passing of the resolutions at the Twenty-Third Annual General Meeting on September 19, 2014 and communicated to the BSE Limited and The Calcutta Stock Exchange Association Ltd., where the shares of the Company are listed.
- 23) Since e-voting facility (including Ballot Forms) is provided to the Members pursuant to the provisions of Section 108 of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, voting by show of hands are not allowed.
- 24) The voting right of shareholders shall be in proportion to their shares of the paid-up equity capital of the Company as on the cut-off date (record date) of August 1, 2014.

Registered Office :
10, Middleton Row, Kolkata – 700 071.
Corporate Identification Number (CIN) : L65921WB1991PLC051555
Dated : 18th July, 2014

By Order of the Board of Directors

ADINATH BANERJEE
Company Secretary-cum-Compliance Officer

Explanatory Statement Under Section 102 of The Companies Act, 2013

Item No. 5, 6, & 7

The Company had, pursuant to provisions of clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Sri Buddhadeb Basu, Dr. Subrata Haldar and Sri Vijay Swaminathan as Independent Director at various times, in compliance with the requirements of the clause. Pursuant to the provisions of section 149 of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Management Committee has recommended the appointment of these directors as Independent Directors for a further five year of tenure from September 19, 2014 up to September 18, 2019.

Sri Buddhadeb basu, Dr. Subrata Haldar and Sri Vijay Swaminathan, non-executive and independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and Rules framed there under for appointment as Independent Director and they are independent of the management.

In Compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

The Directors therefore recommend passing of the Ordinary Resolution contained in Item No. 5, 6 & 7 of the accompanying Notice.

Except Sri Buddhadeb Basu, Dr. Subrata Haldar and Sri Vijay Swaminathan, none of the directors is interested in this resolution.

Item No. 8

The Board of Directors of the Company (the "Board"), at its meeting held at April 16, 2014 has, subject to the approval of Shareholders/Members, re-appointed Mr. Asheesh Dabriwal as Managing Director of the Company for a further period of 5 years (from 01/04/2014 to 31/03/2019), before the expiry of his present term which was expire on December 31, 2014, on the remuneration approved by the Board.

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

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

I. SALARY

Basic Salary: At the rate of Rs. 1,00,000/- (Rupees One lakh) per month w.e.f. 01-04-2014 to 31-03-2019.



II. PERQUISITES

- a) Leave Salary : 31 days encashment as per Company's Rule.
- b) Exgratia/Bonus etc. : As per Companies Rule governed to all employees.
- c) Other Perquisites :
 - i) Rent free furnished accommodation, if required.
 - ii) Re-imbursment of medical expenses on self & family, if needed & required.
 - iii) Payment of Club Fees in relation to promotion of the business of the company and/or any personal nature. The same will be treated as wholly & exclusively for the purpose of business of the company and not to be considered as taxable perquisite in the hands of Mr. Asheesh Dabriwal.
 - iv) Contribution to Provident Fund etc. as per Company's rule applicable.
 - v) Car with or without driver, telephone at residence and mobile phone etc. provided for the purpose of Company's business. The same will be treated as wholly & exclusively for the purpose of business of the company and not to be considered as taxable perquisite in the hands of Mr. Asheesh Dabriwal.

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

The office of Managing Director may be terminated by the Company or the concerned Director by giving the one (1) month prior notice in writing. This agreement also supersedes the earlier agreement dated 30-11-2009. As Managing Director of the Company, Mr. Asheesh Dabriwal, shall be subject to the superintendence, control and direction of the Board, has substantial power of the management and perform the duties and exercise the powers in relation or referable thereto and he will continue to be a non-rotational director.

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

The Directors therefore recommend passing of the Ordinary Resolution contained in Item No. 8 of the accompanying Notice.

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

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

Registered Office :
10, Middleton Row, Kolkata – 700 071.
Corporate Identification Number (CIN) : L65921WB1991PLC051555
Dated : 18th July, 2014

By Order of the Board of Directors

ADINATH BANERJEE
Company Secretary-cum-Compliance Officer

ADDITIONAL INFORMATION OF DIRECTORS SEEKING RE-APPOINTMENT AT THE 23RD ANNUAL GENERAL MEETING PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT

(Annexure as referred to in the note No. 3 on notice and Item No. 3, 5,6,7 & 8 of the notice)

| | | | | | |
|--|---|--|--|--|---|
| Name of Director/ Managing Director | Sri Janak Bhardwaj | Sri Buddhadeb Basu | Dr. Subrata Halder | Sri Vijay Swaminathan | Sri Asheesh Dabriwal |
| Director Identification Number | DIN - 00047641 | DIN – 00061771 | DIN - 00089655 | DIN - 03505029 | DIN – 00044783 |
| Date of Birth | 05-07-1963 | 23-06-1967 | 25-04-1962 | 28-07-1962 | 04-10-1967 |
| Date of First Appointment & their Position thereto | 25-06-1998 | 31-01-2013 | 17-05-2003 | 30-04-2011 | 26-04-1991 |
| Educational Qualification | D.M.E. | B.Com. | M.B.B.S. | Graduate | B.Com |
| Expertise in specific functional areas | Service | Business | Doctor | Business | Industrialist |
| Chairmanship/Membership of Committees in this Company | None | Chairman of Audit Committee and Shareholders/ Investor Grievance Committee and Member of Remuneration/Management Committee | Member of Audit Committee | Member of Audit Committee | Member of Shareholders/ Investor Grievance Committee and Remuneration/ Management Committee |
| Present Status of directorship in this Company | Non-Promoter, Executive Director | Non-Promoter, Non-Executive & Independent Director | Non-Promoter, Non-Executive & Independent Director | Non-Promoter, Non-Executive & Independent Director | Promoter & Executive Director |
| Directorship in other Public Limited Companies | None | None | None | None | None |
| Chairmanship/Membership of Committees in other Public Limited Companies | None | None | None | None | None |
| Shareholding as on 31st March, 2014 | Nil | 200 Shares [0.0066%] | Nil | Nil | 662600 Shares [22.09%] |
| Seeking appointment/ re-appointment | Retire by rotation and seeking re-appointment | Appointment as Non-Rotational Independent Director | Appointment as Non-Rotational Independent Director | Appointment as Non-Rotational Independent Director | Re-appointment as Managing Director |
| Rotational Status | Retire by rotation | Non-Rotational Director | Non-Rotational Director | Non-Rotational Director | Non-Rotational Director |
| Tenure of appointment | Not Applicable | 5 years from 19-09-2014 to 18-09-2019 | 5 years from 19-09-2014 to 18-09-2019 | 5 years from 19-09-2014 to 18-09-2019 | 5 years from 01-04-2014 to 31-03-2019 |

Registered Office :
10, Middleton Row, Kolkata – 700 071.
Corporate Identification Number (CIN) : L65921WB1991PLC051555
Dated : 18th July, 2014

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-Third** Annual Report and the Audited Statement of Accounts for the Financial Year ended 31st March, 2014.

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, 2014 is summarised below :-

| | (₹ in Lacs) | |
|--|--------------------------|--------------------------|
| Particulars | Year ended 31.03.2014 | Year ended 31.03.2013 |
| Revenue from Operations (net) | 4951.45 | 2538.27 |
| Other Income | 67.42 | 37.53 |
| Total Revenue | 5018.87 | 2575.80 |
| Profit Before Finance Cost, Depreciation & Amortisation & Tax | 1255.16 | 629.05 |
| Less : Finance Cost | (-) 8.10 | (-) 13.50 |
| Less : Depreciation & Amortisation | (-) 138.47 | (-) 118.60 |
| Profit Before Tax {and profit before exceptional and extraordinary items} | 1108.59 | 496.95 |
| Less : Provision for Taxation (inclusive of adjustment of deferred tax assets/liabilities) | (-) 368.35 | (-) 163.85 |
| Profit After Tax for the year of Continuing and Total Operation | 740.24 | 333.10 |
| Add : Profit brought forward from previous year | 1.85 | 3.62 |
| Profit Available for Appropriation | 742.09 | 336.72 |
| Appropriations | | |
| Proposed Dividend on Equity Shares (₹ 1.50 per share) | (-) 45.00 | (-) 30.00 |
| Provision for Tax on Dividend | (-) 7.30 | (-) 4.87 |
| Transfer to General Reserve | (-) 685.00 | (-) 300.00 |
| Surplus Carried to Balance Sheet | 4.79 | 1.85 |
| Net Worth (Capital employed at the year end) | 2639.79 | 1951.85 |
| Book Value of Shares at the year end (Amount in ₹) | 87.99 | 65.06 |
| Earning per Share (Amount in ₹) | 24.67 | 11.10 |

OPERATIONS

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

Your Directors have recommended a dividend of ₹ 1.50 per Equity Share (Previous year of ₹ 1/- per Equity Shares) for the financial year ended March 31, 2014, i.e. @15% of total paid-up equity share capital. The above dividend will be payable out of current year's profit of the Company. The dividend, if approved by the shareholders, will entail an out-flow of ₹ 52.30 lacs (inclusive of tax on dividend of ₹ 7.30 lacs). The Reserves & Surplus thereafter will stand at ₹ 2339.79 lacs at a Book value of ₹ 87.99 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

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, 2011.

DIRECTORS

The Company had, pursuant to provisions of clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Sri Buddhadeb Basu, Dr. Subrata Halder & Sri Vijay Swaminathan as Independent Director of the Company.

As per section 149 of the Companies Act, 2013, which come into effect from April 1, 2014, every listed company is required to have at least one woman director and at least one-third of its total number of directors as Independent Director (not retire by rotation). In accordance with the provisions of section 149 of the Companies Act, 2013, Sri Buddhadeb Basu, Dr. Subrata Halder & Sri Vijay Swaminathan, are appointed as Independent Director (as non-rotational director) to hold office at their tenure of appointment for a further period of five years mentioned in the Notice of forthcoming Annual General Meeting of the Company.

The Board of Directors of the Company, at its meeting held at April 16, 2014 has, subject to approval of Shareholders/Members, re-appointed Mr. Asheesh Dabhiwal as Managing Director of the Company, for a further period of 5 years (from 01/04/2014 to 31/03/2019), on a revised remuneration approved by the Board.

Shri Janak Bhardwaj, 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 himself 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, 2014 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, 2014 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, 2014 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-SECOND ANNUAL GENERAL MEETING and are recommended for re-appointment. As required under section 224 of the Companies Act, 1956, the Company has obtained a written certificate from them to the effect that their re-appointment as Auditors, if made, would be in conformity with the limits prescribed in the said section.

The observations made in the Auditors' Report to the Members of the Company have been dealt with in the Notes to the Statement of Profit and Loss and the Balance Sheet in Notes No. 1 to 25 of the Accounts. These are self explanatory and do not call for further comments.

COST AUDITORS

Consequent upon the notification of the Product or Activity Group classification published vide S.O. 1747 (E) dated 7th August, 2012 and in suppression of the earlier General Circular No.15/2011 [52/5/CAB-2011] dated 11th April, 2011, the Ministry of Corporate Affairs, Cost Audit Branch, Government of India issued the Order No. F. No. 52/26/CAB-2010 dated 24th January, 2012, your Director has appointed Mr. Kishore Majumdar, Practicing Cost Accountant and Proprietor of M/s. K. MAJUMDAR & ASSOCIATES, Cost Accountants for conducting Cost Audit for the Financial Year 2013-14 and also proposed for next Financial Year 2014-15 as Cost Auditor, subject to such approvals as may be applicable.

Necessary certification and consent letter from the said Auditors for both year has been obtained to the effect & intimated to the Central Government to the effect that their appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

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 2014-15 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 97.64% of total number of equity shares being held in electronic mode with NSDL and CDSL. The custodian fees for the Financial Year 2014-15 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 ₹ 29,105/- to Investor Education and Protection Fund, in compliance with the provisions of Section 205C of the Companies Act, 1956. The said amounts represents dividend of financial year ended 31/03/2006, which was declared on 31/08/2006 and the same amount was transferred to Investor Education & Protection Fund on 06/09/2013. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting on the website of the Ministry of Corporate Affairs.

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, 2014.

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, 2014.

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, 2014

| A). Power and Fuel Consumption : | Year ending 31.03.2014 | Year ending 31.03.2013 |
|--|---------------------------|---------------------------|
| 1. Electricity : | | |
| a) No. of Units (Excluding own generation units by Generator) | 1172425 Units | 977330 Units |
| b) Total amount in ₹ | ₹ 1,04,06,588 | ₹ 83,74,992 |
| c) Effective Rate / Unit (₹) | ₹ 8.88 | ₹ 8.57 |
| 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.) | ₹ 39,83,522 | ₹ 21,73,970 |
| B). Consumption per Unit of Production :- | | |
| 1. Electricity (in Units excluding own generation units by Generator) | 0.36 Units | 0.46 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, 2014

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 net exports of the Company has been increased from ₹ 2464.89 lacs to ₹ 4024.02 lacs during the year under review. 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 : ₹ 40,24,02,194/-

Total Foreign exchange outgo (including CIF Value of Import) : ₹ 16,26,88,956/-

For and on behalf of the Board of Directors

Place : Kolkata
Dated : 18th day of July, 2014

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “II”

CORPORATE GOVERNANCE ANNUAL REPORT OF 2013-14

[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, 2014, 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 <i>Managing Director & Chief Executive Officer (C.E.O.)</i> |
| | | Non-Promoter | 2) Sri Janak Bhardwaj <i>Director-cum-Works Manager & Chief Operating Officer (C.O.O.)</i> |
| ii) | Non-Executive Director | Promoter | 3) Smt. Anjum Dhandhanania (Women Director) |
| iii) | Independent & Non- Executive Director | Non-Promoter | 4) Sri Buddhadeb Basu <i>Lead Independent Director</i> |
| | | 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 in this Company | Managing Director & C.E.O. | Executive Director & C.O.O. | Non Executive Director | Lead Independent Director | Independent Director | Independent Director |
| Directorship in Other Public Limited Company | None | None | None | None | None | None |
| Chairmanship/Membership of Committee in Other Public Limited Company | None | None | None | None | None | None |
| Shareholding as on 31st March, 2014 | 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, 2014, its attendance and other directorships & Chairmanships/Memberships in other Public Ltd. companies are as under :-

| Name of Directors | Categories | No. of Board Meeting attended | Last AGM attended | No. of Other Public Ltd. Companies Directorships | No. of Other Public Ltd. Co. Committee Chairmanships | No. of Other Public Ltd. Co. 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. | 6 | YES | None | None | None |
| Dr. Subrata Halder | N.E. & I.D. | 6 | NO | None | None | None |
| Sri Vijay Swaminathan | N.E. & I.D. | 6 | YES | 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 |
|-----------------------|----------------|--------------------------|---|
| 30/04/2013 | 6 | 6 | Misc. General Activity |
| 15/05/2013 | 6 | 6 | 4 th Quarter Accounts Approval |
| 25/07/2013 | 6 | 6 | Audited Accounts Approval |
| 14/08/2013 | 6 | 6 | 1 st Quarter Accounts Approval |
| 13/11/2013 | 6 | 6 | 2 nd Quarter Accounts Approval |
| 11/02/2014 | 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) **Appointment, Re-appointment of Directors & Managing Director :** Sri Janak Bhardwaj, Director shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment. Sri Buddhadeb Basu, Dr. Subrata Haldar and Sri Vijay Swaminathan, existing Independent Directors are also eligible for re-appointment for a fixed tenure of 5 years as Non-Rotational Independent Directors w.e.f. 19/09/2014 to 18/09/2019. Sri Asheesh Dabrial was re-appointed as Managing Director w.e.f. 01/04/2014 to 31/03/2019, subject to approval of shareholders at the Annual General Meeting.

The brief particulars of above Directors have already been mentioned in their profile. The suitable disclosure mentioned in the notes as forming part of Notice of Annual General Meeting be 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 30/04/2013; 15/05/2013; 25/07/2013; 14/08/2013; 13/11/2013; and 11/02/2014 and all of the existing three members were present in all six meetings held during the year ended 31/03/2014.

- iii) **Brief description of terms of reference :** The Audit Committee has been constituted as per Section 292A of the Companies Act, 1956 and also meets with requirements of Section 177 of the Companies Act, 2013 and Clause 49 of 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 Cost Auditors & 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 Cost Auditors & 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 C.F.O (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.

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 30/04/2013, and all of the above members were present in the Remuneration / Management Committee meeting held during the year ended 31/03/2014.

- 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 of General Board Meeting to all Non-Executive Directors (Other than those receiving remuneration) for attending Board Meetings for the year ended 31/03/2014.

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 | ₹ 17,49,616 | ₹ 19,44,130 |
| | | Employer's Cont. to EPF/FPF/EDLI/Admn. Charges etc. | ₹ 1,94,514 | |
| Smt. Anjum Dhandhan | Non-Executive Director | Sitting Fees of Board Meeting | ₹ 12,000 | ₹ 12,000 |
| Sri Buddhadeb Basu | Independent Director | Sitting Fees of Board Meeting | ₹ 12,000 | ₹ 12,000 |
| Dr. Subrata Halder | Independent Director | Sitting Fees of Board Meeting | ₹ 12,000 | ₹ 12,000 |
| Sri Vijay Swaminathan | Independent Director | Sitting Fees of Board Meeting | ₹ 12,000 | ₹ 12,000 |

Note : 1) The Renewal Service Contract of Sri Asheesh Dabriwal, Managing Director & C.E.O. of the Company is for Five years from 01/04/2014 to 31/03/2019, 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 & 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 31/03/2014 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 as per details given below :-

| YEAR | DATE | DAY | TIME | Name of AGM/EGM | Held at |
|-----------|------------|--------|------------|----------------------|--------------------------|
| 2012-2013 | 23/09/2013 | Monday | 11.00 A.M. | Twenty-Second A.G.M. | 18H, Park Street, Kol-71 |
| 2011-2012 | 07/09/2012 | Friday | 11.00 A.M. | Twenty-First A.G.M. | 18H, Park Street, Kol-71 |
| 2010-2011 | 02/09/2011 | Friday | 11.00 A.M. | Twentieth A.G.M. | 18H, Park Street, 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. dated 23/09/2013 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.25.8.
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" as per Monopolies and Restrictive Trade Practices Act, 1969 :-**
The disclosure of "Group" 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 quarterly, half yearly and annually reports & all disclosures etc. to the Stock Exchanges immediately after these are taken on record by the Board and also publish in newspaper and in its web-site www.dhpindia.com. 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" (English Edition), and "News Bangla" (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. All results and reports are also available on the website in a user-friendly and downloadable form. 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.
- v) **SEBI Complaints Redress System (SCORES) :** The investor complaints are processed in a centralized web-based complaints redress system.

- 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-Third A.G. M. dated : 19/09/2014 (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 30/06/2014 | Second week of August, 2014 |
| Quarter ending 30/09/2014 | Second week of November, 2014 |
| Quarter ending 31/12/2014 | Second week of February, 2015 |
| Quarter ending 31/03/2015 | Second week of May, 2015 |
| Year ending 31/03/2015 | Third week of July, 2015 |

- iii) **Book Closure Date** : 13/09/2014 (Saturday) to 19/09/2014 (Friday), Both days inclusive.
- iv) **Last date of Receipt of Proxies** : Tuesday, 16th September, 2014 (up to 6.00 P.M.) at the Registered Office of the Company.
- v) **Dividend** : The Board of Directors, recommended the dividend of ₹ 1.50 per Equity Share for the financial year ended March 31, 2014, for approval of the shareholders at the ensuing Annual General Meeting. If approved, the dividend will be paid on or after 19th September, 2014, but before 18th October, 2014.
- vi) **Exclusive ID No. for Investor Complaints**: In view of Clause 47(F) of the Listing Agreement with the Stock Exchanges, the following information is given below :-
Name of Compliance Officer : ADINATH BANERJEE
E-mail ID : info@dhpindia.com
- vii) **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.
- viii) **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 2014-2015 of all above two stock exchanges paid.
- ix) **Demat ISIN No. with CDSL & NSDL** : The ISIN of dematerialised shares of the Company is INE590D01016.
- x) **Corporate Identification Number (CIN)** : L65921WB1991PLC051555.
- xi) **Number of Employees** : Location wise break-up of the number of employees of the Company as on 31st March, 2014 : (a) Registered Office : 12 and (b) Factory : 187 i.e Total : 199
- xii) **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 2014-2015 of above two depositories paid.
- xiii) **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.

- xiv) 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 ₹ 29,105/- of unclaimed dividend of F.Y. 2005-06 to the Investor Education and Protection Fund pursuant to section 205C of the Companies Act, 1956. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on the date of last Annual General Meeting on the website of the Ministry of Corporate Affairs.
- xv) Plant Location : The factory situated at :-**
“ Dhulagarh Industrial Park, P.O.:- Kanduah, P.S.:- Sankrail, N.H.-6, Howrah – 711 302”.
- xvi) Outstanding GDR/ADR/Warrants or any Convertible instruments :** NIL.
- xvii) 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.
- xviii) Dematerialisation of Shares and liquidity as on 31/03/2014 :** Over 97.64 % of the Company's paid-up equity share capital has been dematerialised up to 31st March, 2014. 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).
- xix) Market Price Data – High/Low during each month of the F.Y.2013-2014:** 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 2013-2014 :-

| Month | BSE (Monthly High) Price per share (₹) | BSE (Monthly Low) Price per share (₹) | No. of shares traded | Turnover (₹) |
|---|---|--|----------------------|--------------------|
| April, 2013 | 28.90 | 24.05 | 1,222 | 32,681 |
| May, 2013 | 29.00 | 24.25 | 621 | 16,832 |
| June, 2013 | 24.95 | 21.65 | 1,199 | 27,209 |
| July, 2013 | 24.25 | 21.05 | 2,197 | 49,951 |
| August, 2013 | 24.40 | 20.75 | 3,358 | 75,408 |
| September, 2013 | 26.00 | 23.05 | 1,984 | 47,653 |
| October, 2013 | 28.00 | 23.05 | 3,917 | 1,00,233 |
| November, 2013 | 29.00 | 26.00 | 5,483 | 1,45,716 |
| December, 2013 | 29.75 | 26.25 | 5,241 | 1,47,512 |
| January, 2014 | 35.15 | 29.00 | 573 | 18,687 |
| February, 2014 | 48.90 | 26.15 | 65,225 | 25,41,091 |
| March, 2014 | 58.00 | 46.50 | 1,69,412 | 87,44,243 |
| Total No. of shares traded & volume of 2013-2014 | | | 2,60,432 | 1,19,47,216 |

xx) Distribution of Shareholding as on 31st March, 2014 : Distribution of Shareholding pattern by the number of shares are as below :-

a) Shareholding Pattern by Size (as on 31/03/2014) :

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of shares | % of Shareholding |
|---------------------------|---------------------|-------------------|------------------|-------------------|
| 1 - 500 | 1008 | 82.8266 | 1,45,398 | 4.8466 |
| 501 - 1,000 | 104 | 8.5456 | 83,269 | 2.7756 |
| 1,001 - 5,000 | 76 | 6.2449 | 1,76,223 | 5.8741 |
| 5,001 - 10,000 | 16 | 1.3147 | 1,18,405 | 3.9468 |
| 10,001 - 50,000 | 7 | 0.5752 | 1,42,853 | 4.7618 |
| 50,001 - 1,00,000 | 2 | 0.1643 | 1,23,552 | 4.1184 |
| 1,00,001 and above | 4 | 0.3287 | 22,10,300 | 73.6767 |
| TOTAL | 1217 | 100.0000 | 30,00,000 | 100.0000 |

b) Shareholding Pattern by Ownership (as on 31/03/2014) :

| 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 | 35 | 39,331 | 1.311% |
| | Indian-Individual & HUF holding Nominal Shares Value Up to ₹ 1 lakh | 1132 | 4,62,996 | 15.433% |
| | Indian-Individual & HUF holding Nominal Shares Value above ₹ 1 lakh | 6 | 1,67,422 | 5.581% |
| | Any Others - NRI/OCB | 11 | 67,320 | 2.244% |
| | Clearing Member | 27 | 14,731 | 0.491% |
| | Total of Non-Promoters holding | 1211 | 7,51,800 | 25.060% |
| | TOTAL SHAREHOLDINGS | 1217 | 30,00,000 | 100.000% |

c) Shareholding Pattern by Dematerialisation & Physical Form (as on 31/03/2014) :

| Particulars | No. of Equity Shares | % of Shareholding |
|------------------------------------|----------------------|-------------------|
| Dematerialised with NSDL | 27,36,370 | 91.21 |
| Dematerialised with CDSL | 1,92,784 | 6.43 |
| Total Dematerialised Shares | 29,29,154 | 97.64 |
| Shares in Physical Form | 70,846 | 2.36 |
| Total Paid-up Equity Shares | 30,00,000 | 100.00 |

- xxi) **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 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, 2014.

ASHEESH DABRIWAL
Managing Director & C.E.O.

ANNEXURE – “III”**MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF 2013-2014***[As per Clause 49 of The Listing Agreement with Stock Exchanges]***TO THE MEMBERS**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 1956, and Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as various estimates and judgements used therein. The estimates and 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** : All statements that address the expectations and/or projections for the future, not limited to the Company's strategy for growth, product development & innovation, market standing, expenses and financial results, are all forward-looking statements. These are based on assumptions and expectations in the future and the Company cannot guarantee its accuracy or its realisability. The Company's actual results and/or performance will hence differ from those portrayed in forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise such statements on the basis of any future developments, information and/or events.
- (b) **Industrial structure and development** : The Company concentrated on expanding the export market for its products and continues to do so.
- (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 improvement.
- 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.
- Expanding into newer untapped markets.

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, 2014.

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, 2014.

For **DHP INDIA LIMITED**

Place : Kolkata
Dated : 18th day of July, 2014.

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 31/03/2014, 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 (C.E.O.)
& Managing Director
Executive & Promoter Director*

For DHP INDIA LIMITED
ASHOK KUMAR SINGH

Chief Financial Officer (C.F.O.)

Place : Kolkata
Dated : 18th July, 2014.

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, 2014**, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

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, 2014.

NAVIN NAYAR
Partner
Membership No. 053267

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF DHP INDIA LIMITED

1. Report on Financial Statements

We have audited the accompanying financial statements of **DHP INDIA LIMITED ("the Company")**, which comprise the **Balance Sheet** as at **March 31, 2014**, and the **Statement of Profit & Loss** and the **Cash Flow Statement** for the year ended and a **summary of significant accounting policies and other explanatory information**.

2. Management's Responsibility for the Financial Statements

Management is responsible for preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plans and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depends on the auditor's judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of **Balance Sheet**, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the **Statement of Profit & Loss**, of the **profit** for the year ended on that date; and
- (c) in the case of the **Cash Flow Statement**, of the **cash flows** for the year ended on that date.

5. Report on Other Legal and Regulatory Requirements

5.1 As required by the Companies (Auditors' 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 give in the ANNEXURE, a statement on the matters specified in paragraph 4 and 5 of the said Order.

5.2 As required by section 227(3) of the Act, we report that :

- (i) 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;
- (ii) 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;
- (iii) The **Balance Sheet, Statement of Profit and Loss** and **Cash Flow Statement** dealt with by this report are in agreement with the books of accounts;
- (iv) The **Balance Sheet, Statement of Profit and Loss** and **Cash Flow Statement** comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs);
- (v) On the basis of written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Act.

4E, Jain Centre, 34A, Metcalfe Street
Kolkata - 700 013
The 18th day of July, 2014

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

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARAGRAPH 5.1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

1. In respect of its Fixed Assets :
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - (c) In our opinion, the Company has not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its Inventories :
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to the book records.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, paragraph 4(iii) of the Companies (Auditors' Report) Order, 2003 is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchased of inventory, fixed assets and with regard to sale of goods. During the course of our audit, we have neither observed nor have been informed of any major weaknesses in the said 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, there are no dues of Sales-Tax, W.B. Vat, C.S.T., Wealth-Tax, Income-Tax, Service-Tax, Custom Duty, Excise Duty, Cess, which has not been deposited on account of any disputed for the year ended 31st March, 2014.
10. The company has no accumulated losses as at 31st March, 2014, 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, 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, 2014

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

BALANCE SHEET AS AT 31ST MARCH, 2014

| | Note No. | As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (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 | 23,39,79,089 | 16,51,84,859 |
| | | 26,39,79,089 | 19,51,84,859 |
| 2) Non-Current Liabilities | | | |
| Deferred Tax Liabilities (Net) | 5 | 8,96,000 | — |
| 3) Current Liabilities | | | |
| a) Short-term Borrowings | 6 | 2,25,67,021 | 1,41,34,382 |
| b) Trade Payables | 7 | 1,80,60,463 | 1,99,60,858 |
| c) Other Current Liabilities | 8 | 86,95,311 | 98,45,699 |
| d) Short-term Provisions | 9 | 1,44,94,616 | 66,78,050 |
| | | 6,38,17,411 | 5,06,18,989 |
| TOTAL | | 32,86,92,500 | 24,58,03,848 |
| B. ASSETS | | | |
| 1) Non-Current Assets : | | | |
| a) Fixed Assets : | | | |
| Tangible Assets | 10 | 12,07,14,148 | 9,73,98,366 |
| b) Deferred Tax Assets (Net) | 11 | — | 8,17,000 |
| | | 12,07,14,148 | 9,82,15,366 |
| 2) Current Assets | | | |
| a) Current Investments | 12 | 1,68,57,132 | 28,85,546 |
| b) Inventories | 13 | 8,60,71,434 | 7,61,23,146 |
| c) Trade Receivables | 14 | 5,32,20,212 | 4,17,43,954 |
| d) Cash and Bank Balances | 15 | 2,38,82,639 | 94,15,358 |
| e) Short-term Loans and Advances | 16 | 2,70,10,654 | 1,69,26,388 |
| f) Other Current Assets | 17 | 9,36,281 | 4,94,090 |
| | | 20,79,78,352 | 14,75,88,482 |
| TOTAL | | 32,86,92,500 | 24,58,03,848 |
| See Accompanying Notes Forming Parts of the Financial Statements | 1 to 25 | | |

4E, Jain Centre,
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The 18th day of July, 2014

In terms of our report of even date
NAVIN NAYAR & CO.
Firm Registration No. 317117E
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

For and on behalf of the Board
ASHEESH DABRIWAL - M.D. & C.E.O.
JANAK BHARDWAJ - Director & C.O.O.
BUDDHADEB BASU - Independent Director
DR. SUBRATA HALDAR - Independent Director
VIJAY SWAMINATHAN - Independent Director
ASHOK KUMAR SINGH - Chief Financial Officer
ADINATH BANERJEE - Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

| | Note No. | For the year ended 31st March, 2014 (Amount in ₹) | For the year ended 31st March, 2013 (Amount in ₹) |
|--|----------|---|---|
| A. CONTINUING OPERATIONS | | | |
| 1 Revenue from Operations (net) | 18 | 49,51,44,870 | 25,38,27,551 |
| 2 Other Income | 19 | 67,41,757 | 37,52,713 |
| 3 Total Revenue (1+2) | | 50,18,86,627 | 25,75,80,264 |
| 4 Expenses | | | |
| (a) Cost of Materials Consumed | 20 | 27,35,67,910 | 12,07,29,270 |
| (b) Purchase of Traded Goods | | 5,73,953 | — |
| (c) (Increase)/Decrease in Inventories of Finished Goods & Scrap | 21 | 44,65,595 | (29,27,550) |
| (d) Employee Benefits Expense | 22 | 3,74,12,882 | 2,47,66,729 |
| (e) Finance Costs | 23 | 8,09,932 | 13,50,480 |
| (f) Depreciation and Amortisation Expense | 10 | 1,38,47,057 | 1,18,60,194 |
| (g) Other Expenses | 24 | 6,03,49,663 | 5,21,06,691 |
| Total Expenses | | 39,10,26,992 | 20,78,85,814 |
| 5 Profit Before Exceptional and Extraordinary Items & Tax (3-4) | | 11,08,59,635 | 4,96,94,450 |
| 6 Exceptional Items | | — | — |
| 7 Profit Before Extraordinary Items and Tax (5+6) | | 11,08,59,635 | 4,96,94,450 |
| 8 Extraordinary Items | | — | — |
| 9 Profit Before Tax | | 11,08,59,635 | 4,96,94,450 |
| 10 Tax Expenses : | | | |
| (a) Current Tax Expenses for Current Year | | 3,51,22,392 | 1,65,88,970 |
| (b) Net of Deferred Tax Liabilities / (Assets) | | 17,13,000 | (2,04,000) |
| Total Tax Expenses | | 3,68,35,392 | 1,63,84,970 |
| 11 Profit from Continuing Operations (9-10) | | 7,40,24,243 | 3,33,09,480 |
| B. DISCONTINUING OPERATIONS | | | |
| 12 Profit from Discontinuing Operations | | — | — |
| C. TOTAL OPERATIONS | | | |
| 13 Profit for the year (11+12) | | 7,40,24,243 | 3,33,09,480 |
| 14 Earning per equity shares of face value of ₹ 10 each of Total Operation & Continuing Operations and also Total & excluding Extraordinary Items of - both Basic & Diluted (in ₹) | | 24.67 | 11.10 |
| See Accompanying Notes Forming Parts of the Financial Statements | 1 to 25 | | |

4E, Jain Centre,
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The 18th day of July, 2014

In terms of our report of even date
NAVIN NAYAR & CO.
Firm Registration No. 317117E
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

For and on behalf of the Board
ASHEESH DABRIWAL - M.D. & C.E.O.
JANAK BHARDWAJ - Director & C.O.O.
BUDDHADEB BASU - Independent Director
DR. SUBRATA HALDAR - Independent Director
VIJAY SWAMINATHAN - Independent Director
ASHOK KUMAR SINGH - Chief Financial Officer
ADINATH BANERJEE - Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

| | For the year ended 31st March, 2014 (Amount in ₹) | For the year ended 31st March, 2013 (Amount in ₹) |
|---|---|---|
| A CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before extraordinary items and Tax as per Statement of Profit and Loss | 11,08,59,635 | 4,96,94,450 |
| Adjustment for: | | |
| Depreciation and amortisation | 1,38,47,057 | 1,18,60,194 |
| Provision provided & (written back) | (1,63,645) | 2,42,118 |
| Provision of Gratuity as per AS-15 (written back) | (4,42,191) | (62,549) |
| (Profit) on Sale of Fixed Assets | (15,041) | (4,12,696) |
| Finance Costs | 8,09,932 | 13,50,480 |
| Interest (Income) | (5,53,441) | (7,50,295) |
| Net Loss (Gain) on Redemption of Current Investments | 4,57,323 | (6,27,665) |
| | <u>1,39,39,994</u> | <u>1,15,99,587</u> |
| Operating Profit before Working Capital Changes | 12,47,99,629 | 6,12,94,037 |
| Changes in Working Capital : | | |
| Adjustment for (increase)/decrease in operating assets : | | |
| Inventories | (99,48,288) | (2,70,78,022) |
| Trade Receivables | (1,14,76,258) | (1,12,14,916) |
| Short-term Loans and Advances | (1,00,84,266) | (80,73,473) |
| | (3,15,08,812) | (4,63,66,411) |
| Adjustment for increase /(decrease) in operating liabilities : | | |
| Trade Payables | (19,00,395) | 1,57,89,933 |
| Other Current Liabilities | (11,50,389) | 84,15,506 |
| | (30,50,784) | 2,42,05,439 |
| Cash Generated from Operations | 9,02,40,033 | 3,91,33,065 |
| Net Income Tax (Paid) | (2,90,49,164) | (1,92,82,995) |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | <u>6,11,90,869</u> | <u>1,98,50,070</u> |
| B CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (3,73,94,300) | (1,46,69,895) |
| Proceeds from Sale of Fixed Assets | 2,46,502 | 6,30,000 |
| Current Investments not considered as Cash and Cash Equivalents : | | |
| (a) (Purchase) of Current Investments | (1,65,00,000) | (2,05,00,000) |
| (b) Proceeds from Sale of Current Investments | 22,34,737 | 1,80,00,000 |
| Interest Income | 5,53,441 | 7,50,295 |
| NET CASH (USED IN) INVESTING ACTIVITIES (B) | <u>(5,08,59,620)</u> | <u>(1,57,89,600)</u> |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2014

| | For the year ended 31st March, 2014 (Amount in ₹) | For the year ended 31st March, 2013 (Amount in ₹) |
|---|---|---|
| C CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES | | |
| Net Increase/(Decrease) in Working Capital Borrowings | 84,32,639 | (36,00,239) |
| Dividend & Dividend Tax (payment) | (34,86,675) | — |
| (Repayment) of Long-term Borrowings | — | (7,61,692) |
| Finance (Cost) | (8,09,932) | (13,50,480) |
| NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES (C) | 41,36,032 | (57,12,411) |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C) | 1,44,67,281 | (16,51,941) |
| Cash and Cash Equivalents at the Beginning of the Year | 94,15,358 | 1,10,67,299 |
| Cash and Cash Equivalents at the End of the Year | 2,38,82,639 | 94,15,358 |
| Cash and Cash Equivalents at the End of the Year Comprises : | | |
| (a) Cash in Hand | 7,35,476 | 6,57,822 |
| (b) Balances with Banks :- | | |
| (i) In Current Accounts | 75,35,367 | 58,94,326 |
| (ii) In Fixed Deposit Accounts | 1,55,24,062 | 28,00,000 |
| (iii) In Unpaid Dividend Accounts | 87,734 | 63,210 |
| Net Cash and Bank Balance as per Balance Sheet | 2,38,82,639 | 94,15,358 |

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,
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The 18th day of July, 2014

In terms of our report of even date
NAVIN NAYAR & CO.
Firm Registration No. 317117E
Chartered Accountants
NAVIN NAYAR
Partner
Membership No. 053267

For and on behalf of the Board
ASHEESH DABRIWAL - M.D. & C.E.O.
JANAK BHARDWAJ - Director & C.O.O.
BUDDHADEB BASU - Independent Director
DR. SUBRATA HALDAR - Independent Director
VIJAY SWAMINATHAN - Independent Director
ASHOK KUMAR SINGH - Chief Financial Officer
ADINATH BANERJEE - Company Secretary

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

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. The Product/Activity Group of its manufacturing product in Annexure-4 of S.O. 1747(E) Dated 07/08/2012 issued by the Central Government as per Companies Act, 1956, are as below :-

| Product/Activity Group Code | Name of the Product or the Activity Group | Central Excise Tariff Act (CETA) Head & Code of Product | Description of Manufacturing Products or activities |
|-----------------------------|---|---|--|
| 4017 | Machinery & Mechanical Appliances | 8481 (84818090 & 84819090) | LPG Regulators for Cylinders, accessories & parts thereof. |
| 4006 | Copper & Copper Products | 7419 (74199930) | Articles of Brass used as accessories of LPG Regulators |

As per latest information available within the Company for the purpose of Regulation 3(1)(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) under section 211(3C) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) 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 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 CST & 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.

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

- 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.
- c) Stock of Scrap Materials such as Brass Scrap & Zinc Ash/Dross & M.S.Scrap are valued at net realisable value.
- d) 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 on the prevailing exchange rate on the date of transaction of sales invoice recognised less any export return of goods & payment for any discount etc. related to sales. The fluctuation of foreign currencies on the date of transaction and the date of actual realisation etc. are recognised to the Statement of Profit & Loss in a separate Account Head. The Excise duty payment of exported goods, if any are claimed as rebate after the successful export. However, there are no amount of Excise duty on Export Sales are reflected through Statement of Profit & Loss.
- b) **Sale of Traded Goods** : Export Sales in foreign currencies are recognised on the prevailing exchange rate on the date of transaction of sales invoice recognised.
- c) **Sale of Scrap** : Scrap sales are recognised on actual sales basis. The recovery of Excise Duty and State VAT & CST elements on domestic sales credited to separate ledger and adjusted against its payment. However no amount of Excise Duty and State VAT & CST are reflected through Statement of Profit & Loss.
- d) **Income from Other Sales** : Income from Sale of SHIS Licence & Duty Entitlement Pass Book (DEPB) is recognised on cash basis.
- e) **Income from Other Govt. Grants** : Income from Duty Drawback & Export Incentive (Refund of Service Tax) is recognised on cash basis.

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

2.8 Other Income :

Profit/Loss on fluctuation of Forex rate is recognised on the difference of exchange rate of actual realisation/payment of foreign currencies transaction and the date of transaction of foreign currencies transaction. Interest income is accounted on accrual basis. 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 :-

- 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.

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 any transactions are recognised as 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 moneytory 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. 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 Sale of SHIH Licence, Duty Drawback, Export Incentive (Refund of Service Tax) & 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, 2014

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 Liquefied 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 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

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

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 MTM (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, 2014

| | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|-------------|------------------------|-------------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| 3. SHARE CAPITAL | | | | |
| a) Authorised : | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 4000000 | 4,00,00,000 | 4000000 | 4,00,00,000 |
| b) Issued : | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 3000000 | 3,00,00,000 | 3000000 | 3,00,00,000 |
| c) Subscribed and fully paid-up (in cash) : | | | | |
| Equity Shares of ₹ 10/- each with voting rights | 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, 2014 | | As at 31st March, 2013 | |
|------------------------|-------------|------------------------|-------------|
| 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, 2014 | | As at 31st March, 2013 | |
|------------------------|--------------|------------------------|--------------|
| 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 voting rights)

Dabriwala Constructions Private Limited

Asheesh Dabriwal

Kumkum Dabriwala

Nirmal Kumar Dabriwala

| As at 31st March, 2014 | | As at 31st March, 2013 | |
|------------------------|--------------|------------------------|--------------|
| 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, 2014

| | As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (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 | 16,40,00,000 | 13,40,00,000 |
| Add : Transferred from Profit & Loss Account | 6,85,00,000 | 3,00,00,000 |
| Closing Balance of General Reserve | 23,25,00,000 | 16,40,00,000 |
| c) Surplus in Statement of Profit and Loss | | |
| Balance as per Last Account | 1,84,859 | 3,62,054 |
| Add : Profit for the year | 7,40,24,243 | 3,33,09,480 |
| | 7,42,09,102 | 3,36,71,534 |
| (Less) : Dividends proposed to be distributed to equity shareholders ₹ 1.50 per share (Previous year ₹ 1/- per share) | (45,00,000) | (30,00,000) |
| (Less) : Tax on dividend | (7,30,013) | (4,86,675) |
| (Less) : Amount transferred to General Reserve | (6,85,00,000) | (3,00,00,000) |
| Closing Balance of Profit & Loss Account | 4,79,089 | 1,84,859 |
| Total Reserves and Surplus | 23,39,79,089 | 16,51,84,859 |
| 5. DEFERRED TAX LIABILITY (NET) | | |
| Deferred Tax Liability arising on account of Depreciation on Fixed Assets | 7,66,000 | — |
| (Less) Deferred Tax Assets arising on account of Provision for Investment | (25,000) | — |
| (Less) Deferred Tax Assets arising on account of Carried forward Losses | (1,48,000) | — |
| Deferred Tax Liability on Excess of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised) | 3,03,000 | — |
| | 8,96,000 | — |
| 6. SHORT-TERM BORROWINGS | | |
| Loans Payable on demand from Bank (Working Capital Loan) - Secured | | |
| (i) Cash Credit Loan from Citibank N.A. (in ₹) | 1,44,15,870 | — |
| (ii) Cash Credit Loan from The Royal Bank of Scotland (in ₹) | — | 1,41,34,382 |
| (iii) Packing Credit in Foreign Currencies from Citibank N.A. (Valued at the Closing Forex rate) (in ₹) | 81,51,151 | — |
| | 2,25,67,021 | 1,41,34,382 |

Notes : Loans Repayable 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, 2014

7. TRADE PAYABLE

- (a) Micro, Small and Medium Enterprises
(b) Others - Creditors in respect of purchase of goods & services

| As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (Amount in ₹) |
|---|---|
| — | — |
| 1,80,60,463 | 1,99,60,858 |
| <u>1,80,60,463</u> | <u>1,99,60,858</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, 2014 (Amount in ₹) | As at 31st March, 2013 (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

- (a) Unclaimed Dividend - Deposited with a separate Banking A/c.
(b) Statutory Liabilities
(c) Others Liabilities for Expenses
(d) Advance from customers against sales

| As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (Amount in ₹) |
|---|---|
| 87,734 | 63,210 |
| 46,56,722 | 36,98,929 |
| 15,96,347 | 21,94,795 |
| 23,54,508 | 38,88,765 |
| <u>86,95,311</u> | <u>98,45,699</u> |

9. SHORT-TERM PROVISIONS

- Provision for Income Tax
(Less) : Advance Income Tax paid & Tax deposited at Source
Net of Advance Tax & TDS of Provision for Income Tax
Provision for proposed equity dividend ₹ 1.50 per share (Previous year ₹ 1/- per share)
Provision for tax on proposed dividends

| As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (Amount in ₹) |
|---|---|
| 3,51,22,392 | 1,65,88,970 |
| <u>(2,58,57,789)</u> | <u>(1,33,97,595)</u> |
| 92,64,603 | 31,91,375 |
| 45,00,000 | 30,00,000 |
| 7,30,013 | 4,86,675 |
| <u>1,44,94,616</u> | <u>66,78,050</u> |

NOTE - "10" OF TANGIBLE FIXED ASSETS ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2014

| TANGIBLE ASSETS | GROSS BLOCK | | | | DEPRECIATION AND AMORTISATION | | | | | NET BLOCK | |
|---|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|-------------------------------------|---|-------------------------------------|---|-----------------------------------|--------------------------|--------------------------|
| | Opening As at 01.04.2013 ₹ | Addition during the year ₹ | Disposal during the year ₹ | Total As at 31.03.2014 ₹ | Opening As at 01.04.2013 ₹ | Depreciation & Impairment during the year ₹ | Disposal during the year ₹ | Impairment losses during the year ₹ | Total As at 31.03.2014 ₹ | As at 31.03.2014 ₹ | As at 31.03.2013 ₹ |
| (a) Land (Freehold) : | | | | | | | | | | | |
| (i) Land with Factory - Dhulagarh | 92,49,340 | — | — | 92,49,340 | — | — | — | — | — | 92,49,340 | 92,49,340 |
| (ii) Land - Islampur | 1,49,38,507 | 47,49,441 | — | 1,96,87,948 | — | — | — | — | — | 1,96,87,948 | 1,49,38,507 |
| (b) Buildings (Own use) : | | | | | | | | | | | |
| (i) Factory Building - Dhulagarh | 3,98,49,428 | — | — | 3,98,49,428 | 1,53,23,551 | 24,52,588 | — | — | 1,77,76,139 | 2,20,73,289 | 2,45,25,877 |
| (ii) Fixed Electrical Installation in Building | 42,14,763 | — | — | 42,14,763 | 22,70,718 | 2,70,417 | — | — | 25,41,135 | 16,73,628 | 19,44,045 |
| (c) Plant & Equipment (own used) : | | | | | | | | | | | |
| (i) Plant & Machinery (other than Office Equipment and Computer) | 9,20,69,645 | 2,92,47,613 | 46,24,975 | 11,66,92,283 | 4,89,45,112 | 99,04,063 | 45,10,439 | — | 5,43,38,736 | 6,23,53,547 | 4,31,24,533 |
| (ii) Computer | 14,74,097 | 1,78,753 | 38,712 | 16,14,138 | 9,73,801 | 2,46,190 | 38,712 | — | 11,81,279 | 4,32,859 | 5,00,296 |
| (d) Furniture & Fixtures (Owned) | 8,23,846 | 8,900 | 43,145 | 7,89,601 | 4,81,718 | 64,226 | 43,145 | — | 5,02,799 | 2,86,802 | 3,42,128 |
| (e) Office Equipment (Owned) | 2,81,027 | 77,287 | — | 3,58,314 | 2,17,957 | 10,617 | — | — | 2,28,574 | 1,29,740 | 63,070 |
| (f) Vehicles & Motor Car (Owned) | 54,94,219 | 31,32,306 | 4,76,097 | 81,50,428 | 27,83,649 | 8,98,956 | 3,59,172 | — | 33,23,433 | 48,26,995 | 27,10,570 |
| GRAND TOTAL | 16,83,94,872 | 3,73,94,300 | 51,82,929 | 20,06,06,243 | 7,09,96,506 | 1,38,47,057 | 49,51,468 | — | 7,98,92,095 | 12,07,14,148 | 9,73,98,366 |
| PREVIOUS YEAR | 15,65,31,996 | 1,46,69,895 | 28,07,019 | 16,83,94,872 | 6,17,26,027 | 1,18,60,194 | 25,85,149 | 4,566 | 7,09,96,506 | 9,73,98,366 | 9,48,05,969 |
| Deduction of Cost Block & Dep. Block represents :- The cost & depreciation of assets totally written off due to 100% depreciation provided and impairment of fixed assets totally written off & sale of Generator/Motor Car | | | | | | | | | | | |
| DEPRECIATION & IMPAIRMENT RELATING TO CONTINUOUS OPERATION OF TANGIBLE ASSETS DURING THE YEAR AS BELOW | | | | | | For the year ended 31st March, 2014 (Amount in ₹) | | For the year ended 31st March, 2013 (Amount in ₹) | | | |
| Depreciation expenses of Tangible Fixed Assets of continuing operation provided during the year | | | | | | 1,38,47,057 | | 1,18,55,628 | | | |
| Loss on Impairment of Tangible Fixed Assets of continuing operation provided during the year | | | | | | — | | 4,566 | | | |
| Depreciation & Impairment and Amortisation expenses relating to continuing operation of Tangible Fixed Assets provided | | | | | | 1,38,47,057 | | 1,18,60,194 | | | |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

11. DEFERRED TAX ASSETS (NET)

Deferred Tax Assets arising on account of Depreciation on Fixed Assets
Deferred Tax Assets arising on account of Provision for Investment
Less : Deferred Tax Liability on Excess of Funded Value of Group Gratuity over Actuarial Valuation as per AS-15 (Revised)

| As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (Amount in ₹) |
|---|---|
| — | 8,98,000 |
| — | 79,000 |
| — | (1,60,000) |
| — | 8,17,000 |

12. CURRENT INVESTMENTS

Other Current Investment (Valued at lower of cost or fair value)

| | Face Value |
|--|------------|
| | ₹ |
| a) Investment in Equity Oriented Unquoted Units of Mutual Fund | |
| HDFC Midcap Opportunities Fund-Growth | 10 |
| SBI Emerging Business Fund-Regular Plan-Growth | 10 |
| SBI Bluechip Fund-Regular Plan-Growth | 10 |
| b) Investment in Debt Oriented Unquoted Units of Mutual Fund | |
| SBI Magnum Income Fund - Regular Plan - Growth | 10 |
| SBI Dynamic Bond Fund-Regular Plan-Growth | 10 |
| FTIF-Franklin US Opportunity Fund - Growth | 10 |
| ICICI-Prudential US Bluechip Eq. Fund-Growth | 10 |

(Less) : Provision for diminution in value of other current Investment as Investment in Equity Oriented Unquoted Units of Mutual Fund

| | |
|--|--|
| FTIF-Franklin US Opportunity Fund-Growth | |
| HDFC Midcap Opportunities Fund-Growth | |
| SBI Emerging Business Fund-Regular Plan-Growth | |
| SBI Bluechip Fund-Regular Plan-Growth | |

Total Other Current Investments (valued at lower of cost or fair value)

Aggregate market value of other Current Investments in Unquoted Units of Mutual Fund

Aggregate provision for diminution in the value of other current Investments

| As at 31st March, 2014 | | As at 31st March, 2013 | |
|-----------------------------|--------------------------|-----------------------------|--------------------------|
| No. of Units of Mutual Fund | Value as at 31/03/14 (₹) | No. of Units of Mutual Fund | Value as at 31/03/13 (₹) |
| 126186.682 | 25,17,816 | 80935.388 | 14,95,627 |
| 46294.478 | 25,14,713 | 17238.122 | 10,59,862 |
| 142034.482 | 25,12,948 | 10765.678 | 1,82,047 |
| 74975.950 | 21,98,479 | 6860.086 | 1,98,479 |
| 147966.566 | 21,91,649 | 13079.711 | 1,91,649 |
| 145570.807 | 25,00,000 | — | — |
| 163285.712 | 25,00,000 | — | — |
| (78,473) | — | — | — |
| — | — | — | (1,00,706) |
| — | — | — | (1,33,211) |
| — | — | — | (8,201) |
| 1,68,57,132 | — | 28,85,546 | — |
| 1,77,64,542 | — | 28,87,994 | — |
| 78,473 | — | 2,42,118 | — |

13. INVENTORIES

| | |
|---|--|
| (a) Raw Materials (including various Components) | |
| (i) Raw Materials-Indigenous (Brass, Zinc & Others) | |
| (ii) Raw Materials-Imported (Brass) | |
| (iii) Components-Indigenous (parts of Raw Materials) | |
| (iv) Components-Imported (parts of Raw Materials) | |
| (b) Finished Goods (Manufactured) | |
| (c) Stores and Spares | |
| (d) Scrap Materials (Brass Scrap/M.S. Scrap & Zinc Ash) | |

| As at 31st March, 2014 (Amount in ₹) | | As at 31st March, 2013 (Amount in ₹) | |
|---|-------------|---|-------------|
| 1,34,94,618 | | 1,70,95,453 | |
| 2,03,17,544 | | 98,85,380 | |
| 3,15,19,575 | | 2,64,50,108 | |
| 44,33,612 | 6,97,65,349 | 40,43,914 | 5,74,74,855 |
| — | 8,63,992 | — | 19,28,820 |
| — | 88,29,437 | — | 67,06,048 |
| — | 66,12,656 | — | 1,00,13,423 |
| 8,60,71,434 | — | 7,61,23,146 | — |

- 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.

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

| | As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (Amount in ₹) |
|---|---|---|
| 14. TRADE RECEIVABLES (Unsecured and Considered Good) | | |
| Due for more than six months | — | — |
| Others | 5,32,20,212 | 4,17,43,954 |
| | <u>5,32,20,212</u> | <u>4,17,43,954</u> |
| 15. CASH AND BANK BALANCES | | |
| (a) Cash in Hand | 7,35,476 | 6,57,822 |
| (b) Balances with Banks | | |
| (i) In Current Accounts | 75,35,367 | 58,94,326 |
| (ii) In Fixed Deposit Accounts | 1,55,24,062 | 28,00,000 |
| (iii) In Unpaid Dividend Account for unclaimed dividend | 87,734 | 63,210 |
| | <u>2,31,47,163</u> | <u>87,57,536</u> |
| | <u>2,38,82,639</u> | <u>94,15,358</u> |
| 16. SHORT-TERM LOANS AND ADVANCES (Unsecured and Considered Good) | | |
| (a) Security Deposits | 24,03,338 | 24,02,838 |
| (b) Staff Advances | 7,99,920 | 8,11,600 |
| (c) Prepaid Expenses | 22,16,840 | 4,94,437 |
| (d) Balances with Government Authorities | | |
| (i) Excise duty Cenvat Credit Receivable | 17,65,283 | 34,25,462 |
| (ii) Rebate on Export of Excise Duty Receivable | 1,46,88,214 | 44,95,152 |
| (iii) VAT Credit Receivable | 14,66,243 | 25,07,999 |
| (iv) Advance VAT paid against Audit | — | 1,00,000 |
| (v) Service Tax Cenvat Credit Receivable | 3,126 | 2,68,400 |
| (e) Advance recoverable in cash or in kind or for value to be received | <u>36,67,690</u> | <u>24,20,500</u> |
| | <u>2,70,10,654</u> | <u>1,69,26,388</u> |
| 17. OTHER CURRENT ASSETS | | |
| Excess of Funded Value of Group Gratuity Liability over Actuarial Valuation as per Accounting Standard-15 (Revised) | <u>9,36,281</u> | <u>4,94,090</u> |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

| | For the year ended 31st March, 2014 (Amount in ₹) | For the year ended 31st March, 2013 (Amount in ₹) |
|--|---|---|
| 18. REVENUE FROM OPERATIONS | | |
| (a) Export Sale of Manufacturing Products “LPG Regulators, its parts & accessories” | | |
| (i) Sale of LPG Regulators for Cylinders, accessories & parts [Product Code : 4017-Machine & Mechanical Appliances under CETA Gr. Code : 8481 & Tariff Code : 84818090 & 84819090] (Less) Export Sale Return of above product | 25,38,58,847 (7,48,736) 25,31,10,111 | 24,78,84,369 (11,44,563) 24,67,39,806 |
| (Less) Pmt. On Defected Export Goods | — 25,31,10,111 | (16,27,072) 24,51,12,734 |
| (ii) Sale of Articles of Brass used as accessories of LPG Regulators [Product Code : 4006 - Copper & Copper Products under CETA Gr. Code : 7419 & Tariff Code : 74199930] Net Export Sale of “LPG Regulators, its parts & accessories” | 14,79,24,828 40,10,34,939 | 13,75,842 24,64,88,576 |
| (b) Export Sale of Traded Goods of “Printed Materials” | 13,67,255 | — |
| (c) Other Operating Revenue | | |
| (i) Sale of Scrap in Domestic Market (Inclusive of Excise Duty) Less : Excise duty components of sale of Scrap Net Sale of Scrap Materials | 9,81,89,106 (1,08,01,118) 8,73,87,988 | 77,49,745 (8,52,499) 68,97,246 |
| (ii) Income from Sale of SHIS Licence | 13,65,476 | — |
| (iii) Income from Sale of Duty Entitlement Pass Book | — | 4,41,729 |
| (iv) Duty Drawback received | 38,29,152 | — |
| (v) Export Incentive (Service Tax Refund) received | 1,60,060 | — |
| Net Other Operating Revenue | 9,27,42,676 | 73,38,975 |
| Revenue from Operations (Net) | 49,51,44,870 | 25,38,27,551 |
| 19. OTHER INCOME | | |
| (a) Net Gain (Loss) due to Forex rate Fluctuation | 60,10,886 | 18,81,351 |
| (b) Interest Income (TDS ₹ 55,362/-, Previous Year TDS ₹ 73,515/-) | | |
| (i) Interest from Banks on Fixed Deposits | 4,11,011 | 6,07,474 |
| (ii) Interest from WBSEB on Security Deposits | 1,42,430 5,53,441 | 1,42,821 7,50,295 |
| (c) Net Gain/Loss (-) on Redemption of Current Investments - Mutual Fund | (4,57,323) | 6,27,665 |
| (d) Sundry balances written back (net) | — | 15,183 |
| (e) Miscellaneous Receipt | 13,876 | 2,974 |
| (f) Profit on Sale of Fixed Assets | 15,041 | 4,12,696 |
| (g) Net Excess Provisions of others written back | 1,63,645 | — |
| (h) Net Excess Provisions of Gratuity as per AS-15 written back | 4,42,191 | 62,549 |
| | 67,41,757 | 37,52,713 |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

| | For the year ended 31st March, 2014 (Amount in ₹) | For the year ended 31st March, 2013 (Amount in ₹) |
|---|---|---|
| 20. COST OF MATERIAL CONSUMED | | |
| Opening Stock of Raw Materials & Components | | |
| (a) Raw Materials-Indigenous (Brass, Zinc & Others) | 1,70,95,453 | 1,45,85,308 |
| (b) Raw Materials-Imported (Brass) | 98,85,380 | — |
| (c) Components-Indigenous (parts of Raw Materials) | 2,64,50,108 | 1,53,59,846 |
| (d) Components-Imported (parts of Raw Materials) | 40,43,914 | 12,39,277 |
| (e) Goods-in transit related to Raw Materials | — | 34,59,856 |
| | 5,74,74,855 | 3,46,44,287 |
| 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 | 13,23,84,487 | 12,44,73,034 |
| (ii) Imported Raw Materials (Brass) & Components | 15,34,73,917 | 1,90,86,804 |
| | 28,58,58,404 | 14,35,59,838 |
| (Less) : Closing Stock of Raw Materials & Components | | |
| (a) Raw Materials-Indigenous (Brass, Zinc & Others) | (1,34,94,618) | (1,70,95,483) |
| (b) Raw Materials - Imported (Brass) | (2,03,17,544) | (98,85,380) |
| (c) Components-Indigenous (parts of Raw Materials) | (3,15,19,575) | (2,64,50,108) |
| (d) Components-Imported (parts of Raw Materials) | (44,33,612) | (40,43,914) |
| | (6,97,65,349) | (5,74,74,855) |
| Net Cost of Raw Materials & Components Consumed | 27,35,67,910 | 12,07,29,270 |
| 20.1 The Consumption of Raw materials consists Geographical : | | |
| (a) Indigenous Consumption of Raw Materials etc. | 13,09,15,855 | 11,43,32,483 |
| (b) Imported Consumption of Raw Materials etc. | 14,26,52,055 | 63,96,787 |
| | 27,35,67,910 | 12,07,29,270 |
| 20.2 The Consumption of Raw materials consists Material wise : | | |
| (a) Zinc Alloys | 3,72,76,357 | 2,54,97,669 |
| (b) Brass Rod/HEX | 16,73,19,624 | 5,71,03,830 |
| (c) Others (each value less than @10% of purchase) | 6,89,71,929 | 3,81,27,771 |
| | 27,35,67,910 | 12,07,29,270 |
| 20.3 The Value of Raw Materials Import on CIF Basis : | | |
| Raw Materials & Components | 15,34,73,917 | 1,90,86,804 |
| 21. DECREASE / (INCREASE) IN INVENTORIES OF FINISHED GOODS & SCRAP | | |
| Opening Stock of Finished Goods at the beginning of the year | 19,28,820 | 9,53,243 |
| Opening Stock of Scrap at the beginning of the year | 1,00,13,423 | 80,61,450 |
| (Less) : Closing Stock of Finished Goods at the end of the year | (8,63,992) | (19,28,820) |
| (Less) : Closing Stock of Scrap at the end of the year | (66,12,656) | (1,00,13,423) |
| Net Decrease/(Increase) in Inventories of Finished Goods & Scrap | 44,65,595 | (29,27,550) |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014
22. EMPLOYEE BENEFITS EXPENSE

| | For the year ended 31st March, 2014 (Amount in ₹) | | For the year ended 31st March, 2013 (Amount in ₹) | |
|--|--|--------------------|--|--------------------|
| (a) Salaries, Wages & Bonus : | | | | |
| - Paid to Executive Directors [As per AS-18] | 22,97,016 | | 21,62,821 | |
| - Paid to Other Employees | 2,88,99,842 | 3,11,96,858 | 1,85,50,216 | 2,07,13,037 |
| (b) Employers Contribution to Provident Fund & other funds | | | | |
| (i) Employers Contribution to Provident Fund etc. - Attributed to Executive Directors [As per AS-18] | 2,58,938 | | 2,43,242 | |
| - Attributed to Other Employees | 27,07,018 | | 17,58,363 | |
| (ii) Employers Contribution to Group Gratuity Fund with LIC | 10,88,004 | 40,53,960 | 8,47,180 | 28,48,785 |
| (c) Staff Welfare Expenses | | | | |
| (i) Employers Contribution to ESI | 7,84,312 | | 4,38,774 | |
| (ii) Employers Contribution to Welfare Fund | 1,926 | | 1,026 | |
| (iii) Other Staff Welfare Expenses | 13,75,826 | 21,62,064 | 7,65,107 | 12,04,907 |
| | | 3,74,12,882 | | 2,47,66,729 |

22.1 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 31/03/14 [Amount in ₹] | Previous Year 31/03/13 [Amount in ₹] |
|--|--|---|
| Employer's Contribution to Provident Fund etc. | 29,65,956 | 20,01,605 |

- 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 :-

| A. Change in Present Value of Defined Benefit Obligations | Current Year 31/03/14 [Gratuity Funded - in ₹] | Previous Year 31/03/13 [Gratuity Funded - in ₹] |
|---|---|--|
| Present Value of Defined Benefit Obligations as at the beginning of the year | 40,69,966 | 30,28,026 |
| Interest Cost | 3,25,597 | 2,42,242 |
| Current Service Cost | 4,11,532 | 3,68,854 |
| Benefits paid by the Funded Group Gratuity Schemes | (66,574) | (62,100) |
| Net of Actuarial Losses / (Gains) recognised during the year | 2,96,967 | 4,92,944 |
| Present Value of Defined Benefit Obligations as at the end of the year | 50,37,488 | 40,69,966 |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

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

| | Current Year 31/03/14 [Gratuity Funded - in ₹] | Previous Year 31/03/13 [Gratuity Funded - in ₹] |
|--|---|--|
| B. Change in the Fair Value of Plan Assets : | | |
| Fair Value of the Plan Assets at the beginning of the year | 45,64,056 | 34,59,567 |
| Expected / Actual Return on the Plan Assets | 4,42,874 | 3,52,230 |
| Contribution paid by the Employer to under Group Gratuity Fund | 10,33,413 | 8,14,359 |
| Benefit paid by the Funded Schemes from Group Gratuity Fund | (66,574) | (62,100) |
| Actuarial Gain / (Loss) of the Plan Assets | — | — |
| Fair Value of the Plan Assets at the end of the year | 59,73,769 | 45,64,056 |
| 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 | 50,37,488 | 40,69,966 |
| Fair Value of the Plan Assets at the end of the year | 59,73,769 | 45,64,056 |
| (Assets) recognised in the Balance Sheet as "Current Assets" | (9,36,281) | (4,94,090) |
| D. Expenses recognised in the Profit & Loss Account : | | |
| Current Service Cost | 4,11,532 | 3,68,854 |
| Life Cover Premium paid (inclusive of Service Tax) under Group Gratuity Fund to LIC | 52,286 | 31,166 |
| On A/c. of Revenue Expenses of Group Gratuity Fund paid | 2,305 | 1,655 |
| Interest Cost | 3,25,597 | 2,42,242 |
| Expected / Actual Return on the Plan Assets | (4,42,874) | (3,52,230) |
| Net of Actuarial Losses recognised during the year | 2,96,967 | 4,92,944 |
| Total of Net Expenses recognised in the Profit & Loss Account* (See Note below as "G") | 6,45,813 | 7,84,631 |
| 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, 2014

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

| | Current Year 31/03/14 [Gratuity Funded - in ₹] | Previous Year 31/03/13 [Gratuity Funded - in ₹] |
|---|---|--|
| F. Principal Actuarial Assumption used : | | |
| Discounted Rate (per annum) Compound | 8.00% | 8.00% |
| Expected Rate of Return on Plan Assets | 8.75% | 9.15% |
| Rate of Salary increase (per annum) | 3.00% | 3.70% |
| 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. | 10,88,004 | 8,47,180 |
| (Less) : Net of Gratuity liability written back - Credited to P & L A/c. | (4,42,191) | (62,549) |
| | <u>6,45,813</u> | <u>7,84,631</u> |

22.2 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 31/03/14 (Amount in ₹) | Previous Year 31/03/13 (Amount in ₹) |
|--|---|--|
| 23. FINANCE COSTS | | |
| (a) Interest Expenses on Working Capital Borrowing from Bank | 5,09,932 | 10,37,337 |
| (b) Other Borrowing Costs - Loan Processing Fees/Stock Audit Charges | 3,00,000 | 3,13,143 |
| | <u>8,09,932</u> | <u>13,50,480</u> |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014
24. OTHER EXPENSES

| | Current Year 31/03/14 (Amount in ₹) | | Previous Year 31/03/13 (Amount in ₹) | |
|---|---|--------------------|--|--------------------|
| (a) Consumption of Stores and Spare Parts - @100% Indigenous | | 1,63,57,867 | | 1,06,33,172 |
| (b) Power & Fuel | | 1,43,90,110 | | 1,05,48,962 |
| (c) Brass Rod Conversion Charges | | — | | 44,09,689 |
| (d) Freight and Forwarding | | | | |
| (i) Net of Freight Outward Expenses | 27,16,516 | | 12,90,840 | |
| (ii) Local Freight, loading & unloading Charges | 6,92,415 | 34,08,931 | 5,65,130 | 18,55,970 |
| (e) Travelling and Conveyance | | | | |
| (i) Travelling Expenses | 42,63,901 | | 42,08,979 | |
| (ii) Local Conveyance Expenses | 1,38,088 | | 1,61,491 | |
| (iii) Car/Bus Hire Charges for Staff | 13,89,000 | | 12,84,000 | |
| (iv) Motor Car/Vehicle Expenses | 6,98,377 | | 6,07,026 | |
| (v) Motor Cycle Expenses | 69,295 | 65,58,661 | 62,189 | 63,23,685 |
| (f) Legal & Professional Charges (other than Finance Cost) | | | | |
| (i) Consultancy Fees | 25,93,052 | | 24,69,080 | |
| (ii) Internal Audit Fees | 19,104 | 26,12,156 | 25,472 | 24,94,552 |
| (g) Repairs & Maintenance | | | | |
| (i) Repairs & Maintenance - Buildings | 33,29,328 | | 8,52,963 | |
| (ii) Repairs & Maintenance - Machinery | 15,56,918 | | 10,79,282 | |
| (iii) Repairs & Maintenance - Others | 1,09,122 | 49,95,368 | 1,12,069 | 20,44,314 |
| (h) Advertisement & Business Promotion Expenses : | | | | |
| (i) Statutory Advertisement | 40,196 | | 35,481 | |
| (ii) Other Advertisement | 1,80,500 | | 57,893 | |
| (iii) Business Promotion Expenses | 13,66,052 | | 1,36,666 | |
| (iv) Trade Fair Exhibition Expenses | 9,56,345 | 25,43,093 | 7,71,331 | 10,01,371 |
| (i) Insurance | | 11,74,251 | | 13,63,672 |
| (j) Communication Expenses | | | | |
| (i) Telephone & Internet Charges | 3,82,808 | | 3,68,547 | |
| (ii) Postage & Telegram | 4,29,901 | 8,12,709 | 4,07,557 | 7,76,104 |
| (k) Testing & Certification Charges | | 2,06,274 | | 9,12,355 |
| (l) Security Service Charges | | 10,03,389 | | 8,08,402 |
| (m) Commission paid | | 4,93,326 | | 2,66,115 |
| (n) Bank Charges (Other than Finance Cost) | | 8,90,003 | | 3,80,922 |
| (o) Printing & Stationery | | 3,05,917 | | 2,51,665 |
| (p) Rent, Rates & Taxes | | | | |
| (i) Office Rent (paid to related party as per AS-18) | 1,26,000 | | 1,26,000 | |
| (ii) West Bengal Entry Tax on Purchase outside W.B. | 30,35,840 | | 21,13,660 | |
| (ii) Rates & Taxes | 7,23,949 | 38,85,789 | 5,92,207 | 28,31,867 |
| (q) Donation & Contribution : | | | | |
| (i) Donation | 6,500 | | 20,000 | |
| (ii) Fees & Subscription | 28,090 | 34,590 | 28,090 | 48,090 |
| (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 | 20,500 | | 9,000 | |
| (iv) Cost Audit Fees provided | 15,000 | 85,500 | 15,000 | 74,000 |
| (s) Non-Executive Director's Sitting Fees | | | | |
| (i) Paid to related party as per AS-18 | 12,000 | | 12,000 | |
| (ii) Paid to other non-executive directors | 36,000 | 48,000 | 36,000 | 48,000 |
| (t) Miscellaneous Expenses | | 5,43,729 | | 47,91,666 |
| (u) Provision for Diminution of Value of Current Investment | | — | | 2,42,118 |
| | | 6,03,49,663 | | 5,21,06,691 |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

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

25.1 Contingent liabilities (to the extent not provided for) W.B. Vat demands of F.Y. 2007-08 (paid on 16.07.2013)

| As at 31st March, 2014 (Amount in ₹) | As at 31st March, 2013 (Amount in ₹) |
|---|---|
| Nil | 6,089 |

25.2 Details on derivatives instruments and unhedged foreign currency exposures

- A** Only one derivative as "Forward exchange contracts" is open as on 31st March, 2014. 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 | Currencies | Current Year 31/03/14 (in Foreign Currencies) | Previous Year 31/03/13 (in Foreign Currencies) |
|--|------------|---|--|
| (a) Opening forward exchange contract as on the beginning of the year for Export Receivables | USD | \$5,40,000 | \$6,00,000 |
| (b) Forward exchange contracts made during the financial year for Export Receivables | USD | \$12,00,000 | \$17,91,000 |
| do | GBP | — | £1,07,250 |
| (c) Forward exchange contracts materialised during the year from Export Receivables | USD | \$8,40,000 | \$18,51,000 |
| do | GBP | — | £1,07,250 |
| (d) Closing forward exchange contract as on the end of the year for Export Receivables | USD | \$9,00,000 | \$5,40,000 |

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

| Particulars | Currencies | As at 31st March, 2014 (in Currencies) | As at 31st March, 2013 (in Currencies) |
|---|------------|--|--|
| (a) Export Receivables in Foreign currencies as on year ended - valued at closing exchange rate | USD | \$8,44,275 | \$5,40,000 |
| (b) MTM-Profit on Outstanding forward exchange contracts as on year ended - <i>Not to be recognised</i> | Rupee | ₹ 30,50,000 | ₹ 7,46,100 |
| (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 | Currencies | As at 31st March, 2014 (in Currencies) | As at 31st March, 2013 (in Currencies) |
|---|------------|--|--|
| (a) Export Receivables in Foreign currencies as on year ended - valued at closing exchange rate | USD | — | \$1,78,026 |
| do | GBP | £27,032 | £33,508 |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

25.2 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

| Particulars | Curren- cies | As at 31st March, 2014 (in Currencies) | As at 31st March, 2013 (in Currencies) |
|---|-----------------|--|--|
| (b) Advance Packing Credit | USD | \$1,36,193 | — |
| (c) Outstanding Sundry Creditors against Import | USD | \$2,43,593 | — |
| Advance received against export from customers | USD | \$8,150 | \$51,094 |
| do | GBP | £6,851 | £13,450 |

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

| Particulars | Curren- cies | As at 31st March, 2014 (in Currencies) | As at 31st March, 2013 (in Currencies) |
|-------------------------------|-----------------|--|--|
| Advance paid against expenses | USD | — | \$2,700 |
|do..... | GBP | — | £4,050 |
|do..... | EURO | € 8,885 | — |

25.3 C.I.F. Value of Import :

- (a) Raw Materials & Components
- (b) Capital Goods

Total C.I.F. Value of Import

25.4 Expenditure in Foreign Currency :

- Travelling Expenses
- Trade Fair & Exhibition Expenses (Net of pmt.)
- Testing & Certification Expenses
- Business Promotion Expenses
- Books & Periodicals
- Sundry Expenses
- Advance paid against Trade Exhibition expenses

Total Expenditure in Foreign Currency

25.5 Earning in Foreign Exchange :

- Net Export of Manufactured Goods calculated on FOB basis

Total Earning in Foreign Currency

25.6 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 SHIH Licence
- Profit on Sale of Duty Entitlement Pass Book (DEPB)
- Duty Drawback Received
- Export Incentive (Refund of Service Tax) Received

| Current Year 31st March, 2014 (Amount in ₹) | Previous Year 31st March, 2013 (Amount in ₹) |
|---|--|
| 15,34,73,917 | 1,90,86,804 |
| 46,00,290 | — |
| 15,80,74,207 | 1,90,86,804 |
| 31,79,734 | 20,20,381 |
| 4,61,907 | 3,76,625 |
| 18,421 | 8,31,690 |
| 8,094 | 1,04,031 |
| 61,580 | 13,940 |
| 1,30,899 | — |
| 7,54,114 | 4,94,438 |
| 46,14,749 | 38,41,105 |
| 40,24,02,194 | 24,64,88,576 |
| 40,24,02,194 | 24,64,88,576 |
| 13,65,476 | — |
| — | 4,41,729 |
| 38,29,152 | — |
| 1,60,060 | — |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

25.7 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 Liquefied 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.

(b) **Information about Secondary Business Segments :**

| | Current Year 31/03/2014 (Amount in ₹) | | Previous Year 31/03/2013 (Amount in ₹) | |
|---|---|--------------|--|--------------|
| [i] Revenue by Geographical Markets | | | | |
| Revenue from Operation : Export (Net) | 40,24,02,194 | | 24,64,88,576 | |
| Revenue from Operation : Domestic (Net) | 9,27,42,676 | 49,51,44,870 | 73,38,975 | 25,38,27,551 |
| [ii] Segment Assets by Geographical Markets | | | | |
| Total Assets in India | 27,54,72,288 | | 20,40,89,894 | |
| (other than Export receivable) | 5,32,20,212 | 32,86,92,500 | 4,17,13,954 | 24,58,03,848 |
| Export receivable represents outside India | | | | |
| [iii] Capital Expenditure incurred during the year | | | | |
| In Domestic Markets | 3,27,94,010 | | 1,46,69,895 | |
| In Export Markets | 46,00,290 | 3,73,94,300 | — | 1,46,69,895 |

25.8 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 32.73 %] | Father of Managing Director Sri Asheesh Dabriwala |
| Asheesh Dabriwala [holding 22.09%] | Managing Director of the Company |

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

- (i) Sri Asheesh Dabriwala - Managing Director & Chief Executive Officer of the Company.
(ii) Smt. Anjum Dhandhanania-Non Executive Director of the Company (sister of Managing Director Sri Asheesh Dabriwala)
(iii) 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. "Promoter Group" :**

Dabriwala Constructions Private Limited (also constituting as "group" as per MRTD 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, 2014 and balances outstanding as at 31st March, 2014 :**

| | | Current Yr. 31/03/14 (₹) | Previous Yr. 31/03/13 (₹) |
|---|-----------------------------|-------------------------------------|--------------------------------------|
| (a) Related party transaction during the year ended 31st March, 2014 | | | |
| Head of Accounts (Name in case of more than 10%) | Categories of Related Party | | |
| Employees Benefit Expenses incurred for Key Management Personnel | | | |
| a) Salary & Wages | Key Personnel Management | 22,97,016 | 21,62,821 |
| b) Employers Contribution to Provident Fund | Key Personnel Management | 2,58,938 | 2,43,242 |
| Non-Executive Director's Sitting Fees paid to Anjum Dhandhanania | Key Personnel Management | 12,000 | 12,000 |
| Office Rent paid to Dabriwala Constructions Pvt. Ltd. | Promoter Group | 1,26,000 | 1,26,000 |
| Total of Related Party Transaction during the year | | 26,93,954 | 25,44,063 |
| (b) Outstanding of Related party transaction as at 31st March, 2014 | | | |
| Total of Related Party Transaction outstanding as at year ended | | — | — |

Notes Forming Part of The Financial Statements for the year ended 31st March, 2014

25.9 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. 31/03/14 (₹) | Previous Yr. 31/03/13 (₹) |
|-----------------------------|------------------------------|
| 7,40,24,243 | 3,33,09,480 |
| 30,00,000 | 30,00,000 |
| ₹ 24.67 | ₹ 11.10 |

25.10 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 Liability" up to 31st March, 2014 of ₹ 8,96,000 (Previous Year Deferred Tax Assets of ₹ 8,17,000). The Net Deferred Tax Liabilities of ₹ 17,13,000 debited to Statement of Profit & Loss for the year ended 31st March, 2014. (Previous Year deferred tax assets credited of ₹ 2,04,000).
- In the current financial year Income Tax Liability for the year ended 31st March, 2014 has been determined after taking into consideration the benefits available under the provisions of the Income Tax Act, 1961 and accordingly ₹ 3,51,22,392 (Previous year ₹ 1,65,88,970) 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 2012-2013. 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.

25.11 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.

25.12 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 "25.12"

| | | |
|--|---|---|
| 4E, Jain Centre, 34A, Metcalfe Street, Kolkata - 700 013 The 18th day of July, 2014 | In terms of our report of even date NAVIN NAYAR & CO. Firm Registration No. 317117E Chartered Accountants NAVIN NAYAR Partner Membership No. 053267 | For and on behalf of the Board |
| | | ASHEESH DABRIWAL - M.D. & C.E.O. JANAK BHARDWAJ - Director & C.O.O. BUDDHADEB BASU - Independent Director DR. SUBRATA HALDAR - Independent Director VIJAY SWAMINATHAN - Independent Director ASHOK KUMAR SINGH - Chief Financial Officer ADINATH BANERJEE - Company Secretary |



Form of Proxy

Corporate Identification Number (CIN) : L65921WB1991PLC051555

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

E-mail : info@dhpindia.com Website : www.dhpindia.com

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member (s) :

Registered address :

E-mail Id :

Folio No./Client ID No. : DP Id No.

I/We, being the member(s) of shares of DHP India Limited, hereby appoint

Name : E-mail Id :

Address : Signature :

or falling him/her

Name : E-mail Id :

Address : Signature :

or falling him/her

Name : E-mail Id :

Address : Signature :

as my / our proxy to attend and vote (on a poll) for me / us on my / our behalf at the **TWENTY-THIRD ANNUAL GENERAL MEETING** of the Company to be held on Friday, 19th September, 2014 at 11.00 A.M. and / or any adjournment thereof in respect of such resolutions as are indicated below :-

1. Adoption of Statement of Profit & Loss, Balance Sheet, Cash Flow Statement, Report of Board of Directors and Auditors for the year ended March 31, 2014.
2. Declaration of dividend on Equity Shares for the financial year 2013-14.
3. Re-appointment of Sri Janak Bhardwaj as a Director of the Company who retire by rotation.
4. Appointment of Auditors and fixing their remuneration.
5. Appointment of Sri Buddhadeb Basu as an Independent Director.
6. Appointment of Dr. Subrata Haldar as an Independent Director.
7. Appointment of Sri Vijay Swaminathan as an Independent Director.
8. Re-appointment of Sri Asheesh Dabrial as a Managing Director of the Company.

Signed thisday of.....2014

Affix
Revenue
Stamp

Signature of shareholder Signature of Proxy holder(s).....

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

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



Attendance Slip

Corporate Identification Number (CIN) : L65921WB1991PLC051555

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

E-mail : info@dhpindia.com Website : www.dhpindia.com

Twenty-Third Annual General Meeting at Calcutta Chamber of Commerce, 18H, Park Street, Stephen Court, Kolkata – 700 071

Folio No. DP ID No. Client Id No.

Name of the Member Signature

Name of the Proxy holder Signature

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

I hereby record my presence at the Twenty-Third Annual General Meeting held on Friday, 19th September, 2014.

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

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

ELECTRONIC VOTING PARTICULARS

| EVSN | USER ID | PASSWORD |
|-----------|---|----------|
| 140719017 | Please refer Note No. 19 in the Notice. | |

**BALLOT FORM****DHP INDIA LIMITED****Corporate Identification Number (CIN) : L65921WB1991PLC051555**

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

E-mail : info@dhpindia.com Website : www.dhpindia.com

(For voting for the resolutions to be passed at the 23rd Annual General Meeting of the Company to be held on Friday, the 19th day of September, 2014 at 11.00 a.m. at "Calcutta Chamber of Commerce", 18H, Park Street, Stephen Court, Kolkata – 700 071)

Name of Member/Proxy attending meeting :

Name of Shareholders :

Folio No./Client ID No. DP ID NO.

No. of Equity Shares Held

I/We hereby exercise my/our vote in respect of the Resolution to be passed through ballot for the business stated in the Notice of the Company dated 18th July, 2014 by conveying my/our assent or dissent to the said Resolution by placing the tick (☐) mark at the appropriate box below :

| Resolution Sr. No. | Description | I/we assent to the resolution (FOR) | I/We dissent to the resolution (AGAINST) |
|-----------------------|--|---|--|
| | ORDINARY BUSINESS | | |
| 1 | Ordinary Resolution to consider and adopt Balance Sheet and Statement of Profit & Loss, Cash Flow Statement together with Directors and Auditors report for the year ended March 31, 2014. | | |
| 2 | Ordinary Resolution to declare dividend on Equity Shares for the financial year ended March 31, 2014. | | |
| 3 | Ordinary Resolution seeking approval for re-appointment of Director Sri Janak Bhardwaj (DIN : 00047641) , who retire by rotation and, being eligible offer himself for re-appointment. | | |
| 4 | Ordinary Resolution seeking approval for re-appointment of Auditor M/s. Navin Nayar & Co., Chartered Accountants, {Firm Registration No.317117E) in the Company. | | |
| | SPECIAL BUSINESS | | |
| 5 | Ordinary Resolution seeking approval for appointment of Sri Buddhadeb Basu (DIN : 00061771) as Independent Director u/s.149,150,152 of the Companies Act, 2013. | | |
| 6 | Ordinary Resolution seeking approval for appointment of Dr. Subrata Haldar (DIN : 00089655) as Independent Director u/s.149,150,152 of the Companies Act, 2013. | | |
| 7 | Ordinary Resolution seeking approval for appointment of Sri Vijay Swaminathan (DIN : 03505029) as Independent Director u/s.149, 150,152 of the Companies Act, 2013. | | |
| 8 | Ordinary Resolution seeking approval for re-appointment of Sri Asheesh Dabriwal (DIN : 00044783) as Managing Director u/s.149, 152, 196, 197, 203 of the Companies Act, 2013. | | |

Signature of Member/Proxy Voting

Notes : This Ballot Form shall be used by the Shareholders/Proxy holders who does not have access to the e-voting system.

If undelivered please return to :

DHP INDIA LIMITED

Regd. Office : 10, Middleton Row


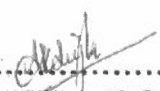
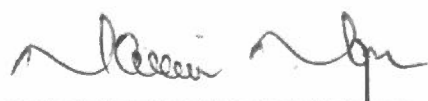
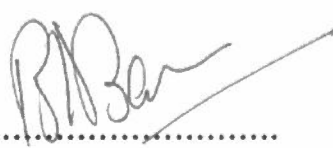
Kolkata - 700 071

Phone : (033) 2229-5735 / 7995 / 9626 / 7929

FORM A

[Unqualified/Matter of Emphasis Report]

[Format of covering letter of the annual audit report to be filed with the stock exchange under Clause 31(a) of the Listing Agreement with Stock Exchange as per SEBI Circular No.CIR/CFD/DIL/7/2012 Dated 13th August, 2012.]

| | | |
|---|---|---|
| 1 | Name of Company | DHP INDIA LIMITED [CIN- L65921WB1991PLC051555] |
| 2 | Annual Financial Statement for the Year Ended | 31 ST MARCH, 2014 |
| 3 | Type of Audit observation | UN-QUALIFIED REPORT |
| 4 | Frequency of observation | REPETITIVE AS PER STATUTORY PROVISIONS AND SATISFACTORY |
| 5 | To be signed by – • CEO/Managing Director • CFO • Auditor of the Company • Audit Committee Chairman | <p> [ASHEESH DABRIWAL- CEO/Managing Director] [DIN : 00044783] Place : Kolkata, Dated : 18/07/2014</p> <p> [ASHOK KUMAR SINGH – CFO] Place : Kolkata, Dated : 18/07/2014</p> <p> [NAVIN NAYAR – Statutory Auditor] Partner of M/s. NAVIN NAYAR & COMPANY [Firm Regd. No. 317117E & Membership No. 053267] Place : Kolkata, Dated : 18/07/2014</p> <p> [BUDDHADEB BASU– Chairman of the Audit Committee] [DIN : 00061771] Place : Kolkata, Dated : 18/07/2014</p> |