

DHP FINANCIAL SERVICES LIMITED

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For DHP Financial Services Ltd.

Robert
Director



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EIGHTH
ANNUAL REPORT
AND ACCOUNTS
1998-99

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DHP FINANCIAL SERVICES LIMITED

DIRECTORS : SHRI JOGINDER PAL KUNDRA, *Chairman*
SHRI HAIGREVE KHAITAN
SHRI ASHEESH DABRIWAL
SHRI VIVEK KUMAR BHARTIA
SHRI JANAK BHARDWAJ, *Works Manager*

AUDITORS: : M/S. N. JAIN & ASSOCIATES
21A, CORPORATION PLACE
CALCUTTA - 700 087

REGISTERED OFFICE : 10, MIDDLETON ROW,
CALCUTTA - 700 071

FACTORY : 48, X ROAD
OFF BENARAS ROAD
BELGACHIA,
HOWRAH - 711 108
WEST BENGAL

Names of Stock Exchanges : Calcutta, Mumbai, Jaipur & Ahmedabad
where the shares of the Company are listed : The Annual Listing Fees upto Financial year 1999-2000 have been paid to all the above Stock Exchanges.



DHP FINANCIAL SERVICES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the Eighth Annual General Meeting of the Members of DHP FINANCIAL SERVICES LIMITED will be held at its Registered Office at 10, Middleton Row, Calcutta - 700071 on Friday, 30th July, 1999 at 11.00 A.M. for transaction of the following business:-

ORDINARY BUSINESS

- 1) To consider and adopt the Accounts of the Company for the financial year ended 31st March, 1999, the Balance Sheet as at that date and Reports of the Directors and Auditors thereon.
- 2) To declare dividend on equity shares for the financial year ended 31st March, 1999.
- 3) To appoint Directors in place of Sri Vivek Kumar Bhartia and Sri Haigreve Khaitan, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 4) To appoint Auditors and to fix their remuneration.

Calcutta
31st May, 1999.

By Order of the Board
ASHEESH DABRIWAL
Director

Registered Office
10, Middleton Row
Calcutta - 700071

NOTES :

- 1) The Register of Members of the Company shall remain closed from 24th July, 1999 to 29th July, 1999, both days inclusive. Share Transfers received in order by the Company at its Registered Office at 10, Middleton Row, Calcutta - 700 071 by the close of business on 23rd July, 1999 (Friday) will be eligible for payment of dividend, if declared.
- 2) A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at its Registered Office at 10, Middleton Row, Calcutta - 700071, not less than forty-eight hours before the Annual General Meeting.
- 3) Members are requested to bring their copies of the Reports and Accounts to the Meeting.
- 4) Members are requested to notify any change in their address immediately to the Company at its Registered Office.
- 5) Members are requested to send the particulars of their respective bank account numbers to the Company at its Registered Office to enable the Company to draw the dividend warrant to the respective bank accounts of the shareholders.



DHP FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Eighth Annual Report together with the Audited Accounts of the company for the year ended 31st March, 1999.

PERFORMANCE OF THE COMPANY

The year 1998-99 has been a very eventful for your Company. During the year your Company has also developed the area of services rendered in Full Fledged Money Changing (FFMC) & manufacturing of "Domestic Pressure Regulator for LPG Cylinder" to Public Sector Units & Others Private Sector Companies.

Your Company has received registration certificate as NBFC from R.B.I. However the H.P. & Leasing activities have been slowed down as the industry is besieged with repayment problem & narrowing of spreads. We have consolidated our FFMC business very well & look forward to a better year ahead. The manufacturing unit's product DPRs is selling well to the Public Sector Unit's Oil Companies & other Private Sector Companies.

The total income for 1998-99 stood at Rs.408.73 lacs, an increase of 94% over the previous year. The profit after tax stood as Rs. 14.84 lacs, an increase of 42% over the previous year after charging depreciation of Rs. 42.43 lacs, as against Rs. 49.41 lacs for the previous year. The Company's networth, stood at Rs. 384.52 lacs, as on March 31, 1999 as against Rs. 385.56 lacs for the previous year.

FINANCIAL RESULTS

	(Rs. in lacs)	
	Year ended 31.03.99	Year ended 31.03.98
Total Income	408.73	210.18
Gross Operating Profit	121.74	145.77
Profit Before Tax	37.34	45.85
Provision for Income Tax	22.50	35.40
Profit After Tax	14.84	10.45
Profit brought forward from previous year	1.16	1.42
Transferred from General Reserve	1.00	7.00
Profit available for Appropriation	17.00	18.87
Appropriations		
Proposed Dividend on Equity Shares	15.00	15.00
Provision for Dividend Tax	1.65	1.50
Income Tax payment of earlier year	0.04	1.21
Surplus carried to Balance Sheet	0.31	1.16

DIVIDEND AND RESERVES

Your Directors want to maintain record of payment of dividend to shareholders. Even though the profits of your Company are low, your Directors recommend dividend of Rs.0.50 per share (Previous year Rs.0.50 per share) on the Equity Share Capital of the Company for the year ended 31st March, 1999. The above dividend will be payable out of current year's profits and previous year's General Reserve Fund. The dividend, if approved by the shareholders, will entail an out-flow of Rs.16.65 lacs (including Rs.1.65 lacs towards tax on dividend). The Reserves & Surplus thereafter will stand at Rs.89.31 lacs at a Book Value of Rs.12.82 per Equity Share.



DHP FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT (Contd.)

AUDITORS' REPORT

The Auditors have submitted their Report to Directors in connection with Rules and Regulation applicable to NBFC. The Report is self explanatory.

DIRECTORS

Sri Vivek Kumar Bhartia and Sri Haigreve Khaitan, Directors of the Company, retire from office by rotation in accordance with the requirements of the Companies Act, 1956, and the provision of the Articles 126 of the Articles of Association of the Company and being eligible offer themselves for re-appointment.

AUDITORS

M/s. N. Jain & Associates, Chartered Accountants, Statutory Auditors of your Company hold office until the conclusion of the EIGHTH ANNUAL GENERAL MEETING and are recommended for reappointment.

PERSONNEL

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

FUTURE PROSPECTS

Your Company will now focus into three areas of operations :

a) Leasing / Hire Purchase :

This will be carried out with greater emphasis on reducing risk and better asset quality and better collection of lease rentals and hire purchase instalments. Your Company shall endeavour to deploy available funds with utmost care and also to make recoveries efficiently.

b) Manufacturing :

The manufacturing facility for the production of Domestic Pressure Regulator (DPR) for LPG Cylinders was started in previous year, and the future for this industry is very bright considering the huge demands of such a product by the Public Sector Oil Companies as well as Private Bottling Plants and Private Oil Companies. The process of ISO 9002 certification for manufacturing unit is already underway.

c) Full Fledged Money Changing (FFMC) :

The FFMC operation was started in previous year. Due to liberalisation of the Indian economy the prospects for such a business is very bright.

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 this Report.



DHP FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT *(Contd.)*

ACKNOWLEDGEMENT

Your Directors acknowledge the recognition given and trust reposed in your Company by Investors, Banks, Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and other Government Agencies. Your Directors would also like to thank the Bureau of Indian Standards (BIS) and The Chief Controller of Explosives for all the support given by them. Your Directors place on record their appreciation of the valuable contribution made by all the employees.

For and on behalf of the Board of Directors

ASHEESH DABRIWAL

Director

Place : Calcutta

Dated : 31st day of May, 1999.





DHP FINANCIAL SERVICES LIMITED

ANNEXURE 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, 1999.

ANNEXURE - I

I. 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 :-

A) Power and Fuel Consumption :

	Year ending 31.03.99	Year ending 31.03.98
1. Electricity :		
a) No. of Units (Excluding own generation units by Generator)	40763 Units	1101 Units
b) Total amount in Rs.	Rs. 1,35,275.35	Rs. 2,895.12
c) Effective Rate / Unit (Rs.)	Rs. 3.32	Rs. 2.63
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others / Internal Generation (Cost of Diesel, Mobil, etc. used for Running of Generator)	Rs. 1,32,488.50	N.A.

B. Consumption per Unit of Production :-

1. Electricity (in Units Excluding own generation units by Generator)	0.15 Units	44.04 Units
2. Coal	N.A.	N.A.
3. Furnace Oil	N.A.	N.A.
4. Others	N.A.	N.A.

II. TECHNOLOGY ABSORPTION :

Technology absorption, adaptation and innovation :

Consultation with various Oil Companies as well as Zinc Technologists are made from time to time. We have already executed an agreement with Bharat Petroleum Corporation Ltd. for the transfer of Right to use of Technical Know-how for manufacturing and quality control of Sierra Design LPG Pressure Regulators. We have not imported any technology.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

The amount of foreign exchange used and earned during the year in NIL.

Place : Calcutta
Dated : 31st day of May, 1999.

For and on behalf of the Board of Directors
ASHEESH DABRIWAL
Director



DHP FINANCIAL SERVICES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF DHP FINANCIAL SERVICES LTD.

We have audited the attached Balance Sheet of DHP Financial Services Limited as at 31st March, 1999 and the annexed Profit & Loss Account of the Company for the year ended on that date.

We report as follows :

1. We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
3. The Balance Sheet and Profit and Loss Account are in agreement with the books of Account.
4. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view :
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 1999 and
 - b) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
5. In terms of the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Company Law Board in terms of section 227(4A) of the Companies Act 1956, we report as follows:-
 - i) The Company is maintaining proper records showing full particulars including quantitative details and situation of it's fixed assets. The fixed assets of the Company have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
 - ii) The Company has not revalued any of its fixed assets during the year.
 - iii) As informed physical verification has been conducted by the management at reasonable intervals in respect of finished goods, stores, spare parts and raw materials and no material discrepancies have been noticed on such physical verification as compared to the book records. The procedure followed by the management for such physical verification are, in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business. On the basis of our examination, we are satisfied the valuation of these stocks is fair and proper in accordance with normally accepted accounting principles.