

# **DHP INDIA LIMITED**

[ Company Identification Number (CIN) : L65921WB1991PLC051555 ]



**SEVENTEENTH  
ANNUAL REPORT  
AND ACCOUNTS  
2007-2008**

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**BOARD OF DIRECTORS :**

<b>ASHEESH DABRIWAL</b>	: Managing Director & Chief Executive Officer (DIN – 00044783)
<b>JANAK BHARDWAJ</b>	: Executive Director & Chief Operating Officer (DIN – 00047641)
<b>ANJUM DHANDHANIA</b>	: Non-Executive Director (DIN – 00058506)
<b>BUDDHADEB BASU</b>	: Non-Executive & Independent Director (DIN – 00061771)
<b>RABINDRANATH DAS</b>	: Non-Executive & Independent Director (DIN – 00044336)
<b>DR. SUBRATA HALDAR</b>	: Non-Executive & Independent Director (DIN – 00089655)

**COMMITTEES OF THE BOARD :****Audit Committee :**

<b>BUDDHADEB BASU</b>	: Chairman
<b>RABINDRANATH DAS</b>	: Member
<b>DR. SUBRATA HALDAR</b>	: Member
<b>ASHOK KUMAR SINGH</b>	: C.F.O. as Permanent invitee

**Remuneration / Management Committee :**

<b>ANJUM DHANDHANIA</b>	: Chairman
<b>BUDDHADEB BASU</b>	: Member
<b>ASHEESH DABRIWAL</b>	: Member

**Shareholders / Investor Grievance Committee :**

<b>BUDDHADEB BASU</b>	: Chairman
<b>ANJUM DHANDHANIA</b>	: Member
<b>ASHEESH DABRIWAL</b>	: Member

**KEY MANAGEMENT :**

<b>ASHOK KUMAR SINGH</b>	: Chief Financial Officer (C.F.O.)
<b>ADINATH BANERJEE</b>	: Company Secretary-cum-Compliance Officer

**AUDITORS :**

**Statutory & Tax Auditors** : M/s. NAVIN NAYAR & COMPANY, Chartered Accountants,  
4E, Jain Centre, 34A, Metcalfe Street, Kolkata – 700 013.

**Internal Auditors** : M/s. G. L. SINGHAL & CO., Chartered Accountants,  
23A, Netaji Subhas Road, 4<sup>th</sup> Floor, Room No. 7A, Kolkata – 700 001.

**Secretarial Auditors** : M/s. SUSHIL TIWARI & ASSOCIATES, Company Secretaries,  
31A, S. P. Mukherjee Road, Kolkata – 700 025.

**REGISTRARS & SHARE TRANSFER AGENTS :**

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

**SHARES LISTED WITH :****THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD.**

[Regional Stock Exchange – Securities Code No.14058]

**BOMBAY STOCK EXCHANGE LTD.** [BSE – 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.





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## NOTICE

NOTICE IS HEREBY GIVEN THAT the **Seventeenth Annual General Meeting** of the Members of DHP INDIA LIMITED will be held at its Registered Office at 10, Middleton Row, Kolkata - 700071 on Saturday the 30th August, 2008 at 11.00 A.M. for transaction of the following business :-

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2008, the Profit and Loss account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint Directors in place of Smt. Anjum Dhandhanian and Dr. Subrata Haldar, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

Registered Office :  
10, Middleton Row,  
Kolkata – 700 071  
Dated : 27th June, 2008

By Order of the Board of Directors

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

### NOTES :

- 1) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 23rd August, 2008 to Saturday, the 30th August, 2008 (both days inclusive). Share transfers received in order by the Company at its Registered Office at 10, Middleton Row, Kolkata - 700 071 or at its Registrar & Share Transfer Agents Office M/s. Niche Technologies Pvt. Ltd. D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700 001 by the close of business on Friday, the 22nd August, 2008.
- 2) A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at its registered Office at 10, Middleton Row, Kolkata - 700 071, not less than forty-eight hours before the Annual General Meeting.
- 3) Members are requested to bring their copies of the Reports and Accounts to the Meeting. Members seeking any information or clarification on the Accounts are requested to send, in writing, queries to the Company, at least one week before the date of the meeting. Replies will be provided, in respect of such written queries, only at the meeting.
- 4) Members/Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 5) In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 6) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.



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- 7) Members holding shares in physical form are requested to notify any change in their address and particulars of their bank account immediately to the Company at its Registered office or its Registrar & Share Transfer Agents Office at M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B.B. Road, Kolkata – 700 001. The following bank particulars are required:-
- Name of First/Sole Shareholder and their Folio Number.
  - Name of Bank & their complete address of Branch.
  - Account Type, whether Savings or Current account and their account number allotted by Bank.
- 8) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company as per applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable on shares held in electronic form. Members may, therefore, give instruction regarding bank account to their Depository participants.
- 9) At present the Company's equity shares are listed on the Stock Exchanges at Kolkata and Mumbai and listing fees for the current financial year 2008-2009 have been paid to all the aforesaid Stock Exchanges. Members are informed that the scripts of the Company have been activated both in Central Depositories Services Limited (CDSL) and National Securities & Depository Limited (NSDL) and may be dematerialised under the ISIN – INE 590D 01016.
- 10) All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
- 11) Consequent upon the introduction of Section 109A & 109B of the Companies act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form 2B to the Registrar & Share Transfer Agents M/s. Niche Technologies Pvt. Ltd.
- 12) Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2001 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, 2000 to the Investor Education and Protection Fund (IEP Fund).

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

Serial No.	Financial Year Ended	Date of declaration of dividend	Last date for claiming unpaid dividend	Due date for transfer to IEP Fund
1.	31.03.2001	30.08.2001	29.08.2008	28.09.2008
2.	31.03.2002	31.08.2002	30.08.2009	29.09.2009
3.	31.03.2003	30.08.2003	29.08.2010	28.09.2010
4.	31.03.2004	30.08.2004	29.08.2011	28.09.2011
5.	31.03.2005	31.08.2005	30.08.2012	29.09.2012
6.	31.03.2006	31.08.2006	30.08.2013	29.09.2013

*Shareholders are requested to note that no claim shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first become due for payment and no payment shall be made in respect of any such claims.*



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13. Shareholders may, kindly note that no gift/coupon will be distributed at the Annual General Meeting.

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

<b>Name of the Director</b>	Smt. Anjum Dhandhanian	Dr. Subrata Halder
<b>Director Identification Nummber</b>	(DIN – 00058506)	(DIN – 00089655)
<b>Date of Birth</b>	07.12.1970	25.04.1962
<b>Date of First Appointment</b>	31.01.2003	17.05.2003
<b>Educational Qualification</b>	L.L.B.	M.B.B.S.
<b>Expertise in specific functional areas</b>	Business	Doctor
<b>Chairmanship/Membership of Committees in this Company</b>	Member of the Shareholders/ Investors Grievance Committee and Chairman of the Remuneration/Management Committee	Member of the Audit Committee
<b>Present Status of directorship in this Company</b>	Promoter, Non-Executive Director	Non-Promoter, Non-Executive, Independent Director
<b>Directorship in other Public Limited Companies</b>	None	None
<b>Chairmanship/Membership of Committees in other Public Limited Companies</b>	None	None
<b>Shareholding as on 31st March, 2008</b>	20,000 Shares [ 0.66% ]	Nil



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## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting their **Seventeenth** Annual Report together with the Audited Statement of Accounts and the Auditor's Report of your Company for the Financial Year ended 31st March, 2008.

### FINANCIAL RESULTS

The performance of the Company for the financial year ended March 31, 2008 is summarised below :-

Particular	(Rs. in Lacs)	
	Year ended 31.03.2008	Year ended 31.03.2007
Net of Export Turnover of Sales	1108.99	950.71
Net of Domestic Turnover of Sales	99.96	43.49
Net of Total Turnover of Sales	1208.95	994.20
Total Income (inclusive of Stock variation)	1218.71	1054.42
Profit Before Depreciation & Tax	190.83	133.04
Less : Depreciation	(-) 75.60	(-) 76.84
Profit Before Tax	115.23	56.20
Less : Provision for Taxation : (a) Income Tax	(-) 45.02	(-) 23.42
(b) Fringe Benefit Tax	(-) 2.03	(-) 2.29
(c) Adj. of Deferred Tax Assets {As per AS-22}	(+) 4.00	(+) 11.46
Profit After Tax	72.18	41.95
Add : Profit brought forward from previous year	0.91	0.84
Add/Less (-) : Net of Income Less Taxes related to earlier year	(-) 0.02	0.12
Profit Available for Appropriation	73.07	42.91
Appropriations		
Transfer to General Reserve	71.00	42.00
Surplus Carried to Balance Sheet	2.07	0.91
Net Worth (Capital employed at the year end)	767.07	694.91
Book Value of Shares at the year end (in Rs.)	25.57	23.16

### RESULTS OF OPERATIONS

During the year, the Company has scaled new heights and set several new benchmarks in terms of sales, profit, networth and assets. This was a landmark year for the Company as it delivered record financial and operating performance amidst challenging and volatile market conditions. Turnover for the year was Rs.1208.95 lacs against Rs.994.20 lacs in the previous year, reflecting a growth of 21.60%. During the year, exports were higher by 16.65%.

Profit after Tax, for the year was Rs.72.18 lacs as against Rs.41.95 lacs for the previous year, registering an increase of 72.06 %.

### DIVIDEND AND RESERVES

In view of the business strategies, there being a need to conserve resource, no dividend is recommended during the year under review. The Reserves & Surplus thereafter will stand at Rs.467.07 lacs at a Book value of Rs.25.57 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.



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## COMPLIANCE

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

## DIRECTORS

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

## 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, 2008 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 at the end of the financial year and of the profit or loss of the Company for the year 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, 2008 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 & Company, 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 & Company, Chartered Accountants, Statutory Auditors of your Company, hold office until the conclusion of the SEVENTEENTH 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.





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The observations made in the Auditors' Report to the Members of the Company have been dealt with in the Notes to the Profit & Loss Account and the Balance Sheet in Schedule 20 of the Accounts. These are self explanatory and do not call for further comments.

### **SECRETARIAL AUDIT REPORT**

Your Company voluntarily appointed M/s. Sushil Tiwari & Associates, Practicing Company Secretary, to conduct Secretarial Audit of the Company for the financial year ended March 31, 2008. The Secretarial Audit Report addressed to the Board of Directors of the Company is attached to this Annual Report. The Secretarial Audit Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956, The Companies (Amendment) Act, 2006, Depositories Act, 1996, Listing Agreement with the Stock Exchanges, Securities Contract (Regulation) Act, 1956 and all the Regulations of SEBI as applicable to the Company, including SEBI (Disclosure and Investor Protection) Guidelines, 2000, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and SEBI (Prohibition of Insider Trading) Regulations, 1992.

### **LISTING OF EQUITY SHARES**

The Equity Shares of the Company are listed and traded on The Calcutta Stock Exchange Association Ltd., Kolkata {Securities Code No. 14058} and Bombay Stock Exchange Ltd. (BSE), Mumbai {Securities Code No.531306} and the Listing Fees for the Financial Year 2008-09 have already been paid.

### **DEPOSITORY SYSTEM**

Trading in equity shares of your Company in the dematerialised form is compulsory for all shareholders in terms of notification issued by the Securities and Exchange Board of India (SEBI). Your Company has achieved a high level of dematerialisation with about 96.55% of total number of equity shares being held in electronic mode with NSDL and CDSL.

### **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.

### **PERSONNEL**

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

### **PROMOTER GROUP COMPANIES**

Pursuant to an intimation from Promoters, the names of the Promoters and entities comprising "group" as defined under Monopolies and Restrictive Trade Practices Act, 1969, have been disclosed in the Annual Report of the Company for the purpose of Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

### **FUTURE PROSPECTS**

Although the company faces strong competition from manufacturers of similar products, due to its continuous addition of new products required by various markets and continuous improvement in technology, your Board of Directors is very optimistic and sure that the company shall continue to improve its performance in the years to come.

### **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.

Place : Kolkata

Dated : 27th day of June, 2008.

For and on behalf of the Board of Directors

**ASHEESH DABRIWAL**

Managing Director & C.E.O.



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## 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, 2008.

### 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, 2008

#### A) Power and fuel Consumption :-

	<u>Year ending 31.03.2008</u>	<u>Year ending 31.03.2007</u>
<b>1. Electricity</b>		
a) No. of Units (Excluding own generation units by Generator)	<b>536390 Units</b>	559795 Units
b) Total amount in Rs.	<b>Rs. 27,52,346</b>	Rs. 27,92,074
c) Effective Rate / Unit (Rs.)	<b>Rs. 5.13</b>	Rs. 4.99
<b>2. Coal</b>	<b>N.A.</b>	N.A.
<b>3. Furnace Oil</b>	<b>N.A.</b>	N.A.
<b>4. Others / Internal Generation</b> (Cost of Diesel, Mobil, Consumables & Other Exp. incurred etc.)	<b>Rs. 7,20,582</b>	Rs. 7,43,282

#### B) Consumption per Unit of Production :-

1. Electricity (in Units Excluding own generation units by Generator)	<b>0.39 Units</b>	0.38 Units
2. Coal	<b>N.A.</b>	N.A.
3. Furnace Oil	<b>N.A.</b>	N.A.
4. Other	<b>N.A.</b>	N.A.

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

#### FORM-B

Disclosure of particulars with respect to technology absorption for the year ended 31st March, 2008

1. **Specific areas in which R & D proposed to be carried out by the Company :** None
2. **Benefit derived as result of above R & D :** Not Applicable
3. **Future plan of action :** Not Applicable.
4. **Expenditure on R & D : (Rs. In Lacs)**

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