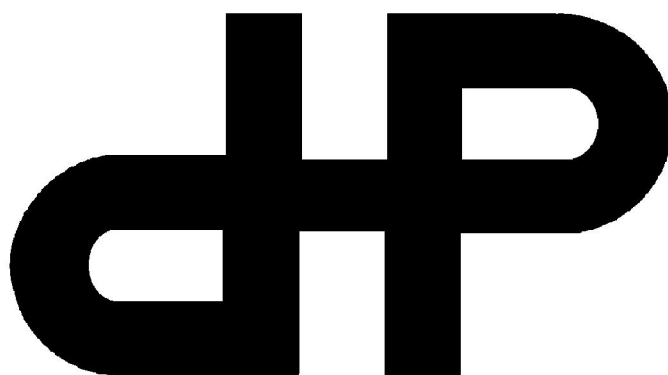


# **DHP INDIA LIMITED**

[ Company Identification Number (CIN) : L65921WB1991PLC051555 ]



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

## CONTENTS

Corporate Information	1
Notice of the Twentieth Annual General Meeting with their Notes	2-4
Explanatory Statement U/s. 173(2) of the Notice	5
Statement of Clause 49 of appointment of Directors	6
Directors' Report & their disclosure as per Annexure – "I"	7-12
Corporate Governance Report ( <i>Annexure – "II" to Directors' Report</i> )	13-25
Management Discussion and Analysis Report ( <i>Annexure – "III" to Directors' Report</i> )	26-27
Declaration by C.E.O. & Managing Director for Code of Conduct	27
Certificate by Chief Executive Officer (C.E.O.) and Chief Financial Officer (C.F.O.)	28
Secretarial Audit Report by Practicing Company Secretaries	29-30
Auditors' Certificate on Corporate Governance	31
Auditors' Report & their Annexure on Financial Statement	32-35
Balance Sheet	36
Profit & Loss Account	37
Cash Flow Statement	38
Schedules forming part of Balance Sheet and Profit & Loss A/c. ( <i>Schedule – "1" to "21"</i> )	39-58

**BOARD OF DIRECTORS :**

<b>ASHEESH DABRIWAL</b>	: <i>Managing Director &amp; Chief Executive Officer (DIN – 00044783)</i>
<b>JANAK BHARDWAJ</b>	: <i>Executive Director &amp; Chief Operating Officer (DIN – 00047641)</i>
<b>ANJUM DHANDHANIA</b>	: <i>Non-Executive Director (DIN – 00058506)</i>
<b>BUDDHADEB BASU</b>	: <i>Non-Executive &amp; Independent Director (DIN – 00061771)</i>
<b>DR. SUBRATA HALDAR</b>	: <i>Non-Executive &amp; Independent Director (DIN – 00089655)</i>
<b>VIJAY SWAMINATHAN</b>	: <i>Non-Executive &amp; Independent Director (DIN – 03505029)</i>

**COMMITTEES OF THE BOARD :**

**Audit Committee :**

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

**Remuneration / Management Committee :**

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

**Shareholders / Investor Grievance Committee :**

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

**KEY MANAGEMENT :**

<b>ASHOK KUMAR SINGH</b>	: <i>Chief Financial Officer (C.F.O.)</i>
<b>ADINATH BANERJEE</b>	: <i>Company Secretary-cum-Compliance Officer</i>
<b>BANKER</b>	: THE ROYAL BANK OF SCOTLAND N.V. {Formerly known as ABN Amro Bank N.V.}

**AUDITORS :**

<b>Statutory &amp; Tax Auditors</b>	: M/s. NAVIN NAYAR & CO., <i>Chartered Accountants</i> , 4E, Jain Centre, 34A, Metcalfe Street, Kolkata – 700 013.
<b>Internal Auditors</b>	: M/s. G. L. SINGHAL & CO., <i>Chartered Accountants</i> , 23A, Netaji Subhas Road, 4th Floor, Room No. 7A, Kolkata – 700 001.
<b>Secretarial Auditors</b>	: M/s. SUSHIL TIWARI & ASSOCIATES, <i>Company Secretaries</i> , 31A, S. P. Mukherjee Road, Kolkata – 700 025.

**REGISTRARS & SHARE TRANSFER AGENTS :**

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

**SHARES LISTED WITH :**

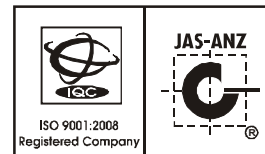
**THE CALCUTTA STOCK EXCHANGE ASSOCIATION LTD.** [Securities Code No.14058]  
**BOMBAY STOCK EXCHANGE LTD.** [Securities Code No. 531306]

**REGISTERED OFFICE :**

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

**FACTORY :**

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



## NOTICE

NOTICE IS HEREBY GIVEN THAT the **Twentieth Annual General Meeting** of the Members of DHP INDIA LIMITED (the Company) will be held on Friday, the 2nd September, 2011 at 11.00 A.M. at CALCUTTA CHAMBER OF COMMERCE, 18H, Park Street, Stephen Court, Kolkata – 700 071, to transact the following business:-

### ORDINARY BUSINESS

- 1) To receive, consider and adopt the Audited Balance Sheet as at March 31, 2011 and the Profit & Loss Account and Cash Flow Statement for the financial year ended on that date together with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint Directors in place of Sri Buddhadeb Basu and Smt. Anjum Dhandhanian, who retire by rotation and, being eligible, offer themselves for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

### SPECIAL BUSINESS

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

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

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

By Order of the Board of Directors

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

---

### NOTES :

- 1) **A Member entitled to attend and vote at this Annual General Meeting may appoint a proxy to attend and vote on a poll on his behalf. A Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at its Registered Office at 10, Middleton Row, Kolkata - 700 071, not less than forty-eight hours before the Annual General Meeting,**
- 2) The Explanatory Statement setting out the material facts concerning Special Business in respect of item No. 4 of the accompanying Notice as required by Section 173 of the Companies Act, 1956, is annexed hereto.
- 3) In terms of Articles 126 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, Sri Buddhadeb Basu and Smt. Anjum Dhandhanian, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.

- 4) Brief resume of Directors proposed to be appointed as per item No.2 & 4 as above, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 27th August, 2011 to Friday, the 2nd September, 2011 (both days inclusive).
- 6) Members are requested to bring their copies of the Reports and Accounts to the Meeting. Members seeking any information or clarification on the Accounts are requested to send, in writing, queries to the Company, at least one week before the date of the meeting. Replies will be provided, in respect of such written queries, only at the meeting.
- 7) Members/Proxies should fill the Attendance Slip for attending the meeting. Members who hold shares in dematerialised form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
- 8) In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 9) Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
- 10) Members holding shares in physical form are requested to notify any change in their address and particulars of their bank account immediately to the Company at its Registered office or its Registrar & Share Transfer Agents Office M/s. Niche Technologies Pvt. Ltd., D-511, Bagree Market, 71, B.R.B. Road, Kolkata – 700 001. The following bank particulars are required:-
  - a) Name of First/Sole Shareholder and their Folio Number.
  - b) Name of Bank & their complete address of Branch
  - c) Account Type, whether Savings or Current account and their account number allotted by Bank.
- 11) Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to the Company as per applicable regulations of the Depositories and the Company will not entertain any direct request from such members for change/deletion in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable on shares held in electronic form. Members may, therefore, give instruction regarding bank account to their Depository participants.
- 12) At present the Company's equity shares are listed on the Stock Exchanges at Kolkata and Mumbai and listing fees for the current financial year 2011-2012 have been paid to all the aforesaid Stock Exchanges. Members are informed that the scripts of the Company have been activated both in Central Depositories Services Limited (CDSL) and National Securities & Depository Limited (NSDL) and may be dematerialised under the ISIN – INE 590D 01016. The custodian fees for the current financial year 2011-2012 have been paid to all the aforesaid Depositories.
- 13) All documents referred to in accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
- 14) The Ministry of Corporate Affairs (MCA) has come out with a circular Nos. 17/2011 dated. 21/04/2011 & 18/2011 dated 29/04/2011 propagating "Green Initiative" encouraging Corporate to

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

- 15) Pursuant to the provision of Section 205A(5) and 205C of the Companies Act, 1956, dividend for the financial year ended 31st March, 2004 and thereafter, which remain unclaimed for a period of 7 years will be transferred by the Company to the **Investor Education and Protection Fund (IEP Fund)** established by the Central Government pursuant to Section 205C of the Companies Act, 1956. The Company has already transferred the unclaimed dividend for the year ended 31st March, 2003 to the Investor Education and Protection Fund (IEP Fund).

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

<b>Serial No.</b>	<b>Financial Year Ended</b>	<b>Date of declaration of dividend</b>	<b>Last date for claiming unpaid dividend</b>	<b>Due date for transfer to IEP Fund</b>
1.	31/03/2004	30/08/2004	29/08/2011	28/09/2011
2.	31/03/2005	30/08/2005	30/08/2012	29/09/2012
3.	31/03/2006	31/08/2006	30/08/2013	29/09/2013
4.	31/03/2010	31/08/2010	30/08/2017	29/09/2017

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

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

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

By Order of the Board of Directors

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

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

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

### **Item No. 4**

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

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

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

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

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

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

By Order of the Board of Directors

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

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

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

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

Except SriBuddhadeb Basu, Smt. Anjum Dhandhanian, SriVijaySwaminathan and SriAsheesh Dabriwal (relative of Smt. Anjum Dhandhanian), none of the directors are interested in the above appointment. Hence, your Board of Directors recommends the above appointment.

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

By Order of the Board of Directors

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



## DIRECTORS' REPORT

### TO THE MEMBERS

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

### CORPORATE OVERVIEW :

DHP India Limited is a Manufacturing Company of Low Pressure Regulator for LPG Cylinders, their parts & various accessories having its Registered Office in Kolkata & Factory in Howrah District, West Bengal. The Company prepares its financial statements in compliance with the requirement of the Companies Act, 1956, and the Generally Accepted Accounting Principles (GAAP) in India. Overall the financial statements have been prepared on the historical cost basis.

### FINANCIAL RESULTS :

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

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

**OPERATIONS**

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

**FUTURE PROSPECTS**

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

**DIVIDEND AND RESERVES**

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

**PUBLIC DEPOSITS**

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

**COMPLIANCE**

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

**PROMOTER GROUP COMPANIES**

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

**DIRECTORS**

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

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

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

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

Brief particulars and expertise of these Directors have been given in this Report on the Corporate Governance and in the Notice of the ensuing Annual General meeting of the Company.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed;