

# DHP INDIA LIMITED

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT OF 2017-2018

*[As per Regulation 15(2) and other relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31<sup>st</sup> March, 2018]*

### TO THE MEMBERS

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013, 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.

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- (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 System & Their Adequacy** : Given the nature of business and size of operations, your Company's Internal Control system has been designed to provide for :
- i) Accurate recording of transactions with internal checks and prompt reporting.
  - ii) Adherence to applicable Accounting Standards and policies.
  - iii) Compliance with applicable statutes, policies and management policies and procedures.
  - iv) Effective use of resources and safeguarding of assets.

The Internal Control System provides for well documented policies/guidelines, authorizations and approval procedures. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them as appropriate. The observations arising out of the audit are periodically reviewed and compliance ensured. The summary of the Internal Audit observations and status of implementations are submitted to the Audit Committee and is reviewed by it on a regular basis and concerns, if any, are reported to the board.

- (f) **Financial Performance** : During the year 2017-18 the Company recorded net revenue from operation of Rs.5324.45 lacs as compared to previous year of Rs.4726.85 lacs. Profit before tax were at Rs.1644.32 lacs and Profit after tax were at Rs.1292.88 lacs for the year ended March 31, 2018 as compared previous year ended March 31, 2017 of Rs.1512.63 lacs and Rs.1095.31 lacs respectively.
- (g) **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.
- (h) **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.
- (i) **Cautionary Statement** : Statements in the Management Discussion & Analysis describing the Company's focal objectives, expectations or anticipations may be forward looking within the meaning of applicable securities, laws and regulations. Actual results may differ materially from the expectations.

Place : Kolkata  
Dated : 14<sup>th</sup> day of May, 2018



For and on behalf of the Board of Directors  
**ASHEESH DABRIWAL**  
Managing Director & C.E.O.  
(DIN – 00044783)

# DHP INDIA LIMITED

**CHIEF EXECUTIVE OFFICER (C.E.O.) DECLARATION IN TERMS OF  
APPLICABLE PROVISIONS OF SECURITIES AND EXCHANGE BOARD  
OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE  
REQUIREMENTS) REGULATIONS, 2015, 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 applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2018.

Place : Kolkata

Dated : 14<sup>th</sup> day of May, 2018



**For and on behalf of the Board of Directors  
ASHEESH DABRIWAL  
Managing Director & C.E.O.  
(DIN – 00044783)**