

# **D & H** **INDIA**

ANNUAL  
REPORT  
2002-03

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**D & H WELDING ELECTRODES (INDIA) LTD.**

## **D & H WELDING ELECTRODES (INDIA) LIMITED**

### **BOARD OF DIRECTORS**

<b>Shri B.L. Kakrecha</b>	Director
<b>Shri Vinod Vora</b>	Director
<b>Shri Sushil Rawka</b>	Director
<b>Shri V.S. Bhate</b>	Director (Technical)
<b>Shri Harsh Kumar Vora</b>	Managing Director
<b>Shri J.C. Kapur</b>	Additional Director

### **COMPANY SECRETARY**

**Shri Dinesh Kumar Sharma**

### **REGISTERED OFFICE**

A - 204, Kailash Esplanade,  
Opposite Shreyas Cinema, L.B.S. Marg,  
Ghatkopar (West), Mumbai - 400 086

### **WORKS & ADMINISTRATIVE OFF.**

Plot 'A', Sector 'A', Industrial Area,  
Sanwer Road, Indore - 452 015 (M.P.)

### **BRANCH OFFICE & SALES DEPOT**

Mumbai, Chandigarh,  
Chennai, Kanpur, Vadodara

### **BANKERS**

**State Bank of India**

### **AUDITORS**

M/s. ABN & Co.  
Indore

### **SHARE TRANSFER & ELECTRONIC REGISTRAR**

**ANKIT CONSULTANCY (P.) LTD.**  
2nd Floor, Alankar Point,  
Geeta Bhawan Chouraha, Indore

# **D & H**

## **INDIA**

### **NOTICE**

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of D & H Welding Electrodes (India) Limited will be held on Saturday the 20th day of September, 2003 at 11.00 a.m. at the Registered Office of the Company at A-204, Kailash Esplanade, opposite Shreyas Cinema, L.B.S. Marg, Ghatkopar (West), Mumbai-400086 to transact the following business :-

### **AS ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Profit and Loss Account of the Company for the year ended 31st March, 2003 and Balance Sheet as on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Shri Sushil Rawka, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a director in place of Shri B.L. Kakrecha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

### **AS SPECIAL BUSINESS**

5. **To consider and if thought fit, to pass with or without modifications, the following resolution as Special Resolution :**

"RESOLVED THAT pursuant to provisions of the Companies Act, 1956, Securities Contract (Regulation) Act, 1956 and the Rules framed thereunder, the Securities and Exchange Board of India (Delisting of Securities) Guidelines - 2003, and all other applicable laws, rules and regulations and subject to such approvals, permissions from SEBI, Stock Exchanges and any other regulatory body, if any, approval of members be and is hereby accorded to delist the Equity Shares of the Company from the Madhya Pradesh Stock Exchange, Indore & the Stock Exchange, Ahmedabad (Non - Regional Stock Exchanges) RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all such steps and action which the Board may deem fit necessary to give effect to the above resolution."

6. **To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310 and any other applicable provisions of the Companies Act, 1956 read with schedule XIII of the said act, approval of members of the Company be and is hereby accorded for reappointment of Shri Harsh Kumar Vora as Managing Director of the Company for a period of 5 years w.e.f. 29.10.2003;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide the terms and conditions of re-appointment, enter into, alter, cancel any agreement entered into with any Director and to take action against any breach of agreement subject to the conditions of the Companies Act, 1956."

7. **To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :**

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310 and any other applicable provisions of the Companies Act, 1956 read with schedule XIII of the said act, approval of members of the Company be and is hereby accorded for reappointment of Shri V.S. Bhate as Technical Director of the Company for a period of 5 years w.e.f. 29.10.2003;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to decide the terms and conditions of re-appointment, enter into, alter, cancel any agreement entered into with any Director and to take action against any breach of agreement subject to the conditions of the Companies Act, 1956".

**8. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :**

"RESOLVED THAT Mr. J.C. Kapur who was appointed as Additional Director by the Board of Directors and holds office upto the date of this Annual General Meeting and in respect of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as director liable to retire by rotation."

**9. To consider and if though fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :**

"RESOLVED THAT Mr. Vimal Lunia in respect of whom Company has received a notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as director liable to retire by rotation."

**10. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution :**

"RESOLVED THAT Mr. Nirmal Lunia in respect of whom Company has received a notice under Section 257 of the Companies Act 1956 be and is hereby appointed as director liable to retire by rotation."

**BY ORDER OF THE BOARD**

**DINESH KUMAR SHARMA**  
COMPANY SECRETARY

**PLACE : INDORE**

**DATE : 21ST August, 2003**

**NOTES :**

- A. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING. A PROXY NEED NOT BE A MEMBER OF THE COMPANY, PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR THE MEETING.
- B. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 22nd September, 2003 to Thursday the 25th September, 2003 (both days inclusive).
- C. Pursuant to Section 205A of the Companies Act, 1956 the amount of dividend for the financial year ended 31st March, 1995 remaining unpaid for a period of seven years have been transferred to Investor Education Fund of the Central Government ("the Fund") Also Shareholders who have not encashed the dividend warrant for the financial year ended 31st March, 1996 or any subsequent financial years are therefore requested to immediately forward the same to the Company for revalidation. It may also please be noted that once the unclaimed dividend is transferred to the Fund, as above, no claim shall lie against the Fund or the Company.
- D. Explanatory Statement under section 173(2) of the Companies Act, 1956 relating to special business to be transacted at the meeting is annexed hereto.

**BY ORDER OF THE BOARD**

**DINESH KUMAR SHARMA**  
COMPANY SECRETARY

**PLACE : INDORE**

**DATE : 21st August, 2003**

# **D & H**

## **INDIA**

### **EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956**

#### **ITEM NO. 5**

Securities and Exchange Board of India has recently issued new guidelines namely The Securities and Exchange Board of India (Delisting of Securities) Guidelines-2003 which allow Companies to seek delisting of their Securities from the stock Exchanges as per the prescribed norms mentioned therein.

At present Company's shares are listed at The Stock Exchange, Mumbai, Madhya Pradesh Stock Exchange, Indore & The Stock Exchange, Ahmedabad. Out of three stock exchanges the equity shares are traded at The Stock Exchange, Mumbai only having nationwide trading terminals.

As a measure of cost effectiveness and in the interest of shareholders of the Company your Directors proposes to delist the equity shares of the Company from Madhya Pradesh Stock Exchange, Indore & The Stock Exchange, Ahmedabad.

The proposed delisting will not adversely affect the investors as the Company's equity shares would remain listed and traded on BSE, (The Stock Exchange, Mumbai) hence no exit opportunity is required to be given by the Company as per the guidelines issued by the SEBI.

None of the directors of the Company are interested in the resolution.

#### **ITEM NO. 6**

Shri Harsh Kumar Vora was appointed as Managing Director for a period of five years by the Board of Directors at their meeting held on 3rd August, 1998 which was approved by the Shareholders of the Company at their Annual General Meeting held on 28th September, 1998. As a Managing Director his tenure ends on 29th October, 2003.

Mr. Harsh Kumar Vora is a commerce graduate having more than 18 years of experience in production & marketing. He is instrumental in the day to day functioning of the Company. The Board consider that re-appointment of Shri Harsh Kumar Vora, would of immense benefit to the Company.

The Board of Directors at their meeting held on 21st August, 2003 have approved their re-appointment. Hence this resolution for the approval of members of the Company.

None of the directors of the Company are interested in the resolution except Shri Harsh Kumar Vora & Shri Vinod Vora.

#### **ITEM NO. 7**

Shri V.S. Bhate was appointed as Technical Director for a period of five years by the Board of Directors at their meeting held on 3rd August, 1998 which was approved by the Shareholders of the Company at their Annual General Meeting held on 28th September, 1998. As a Technical Director his tenure ends on 29th October, 2003.

Shri V.S. Bhate is a science graduate & has been associated with the Company since long time. He has 56 years experience in the Industry and the Board consider that re-appointment of Shri V.S. Bhate, would of immense benefit to the Company.

The Board of Directors at their meeting held on 21st August, 2003 have approved their re-appointment. Hence this resolution for the approval of members of the Company.

None of the directors of the Company are interested in the said resolution except Shri V.S. Bhate.

**ITEM NO. 8**

Shri J.C. Kapur was appointed as Additional Director pursuant to provisions of Section 260 of the Companies Act, 1956 by the Board of Directors at their Meeting held on 11th August, 2003 and he holds office upto the date of ensuing Annual General Meeting. Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for appointment as a director liable to retire by rotation.

He is a B.Sc. (Eng.) (Met.), Chartered Engineer & F.I.M. (London). He is having about 48 years of experience in the field.

The Board of Directors consider that his appointment on the Board, would of immense benefit to the Company.

None of the directors of the Company are interested in the said resolution except Shri J.C. Kapur.

**ITEM NO. 9**

The Company has received a notice under Section 257 of the Companies Act, 1956 read with Articles of Association of the Company proposing candidature of Mr. Vimal Lunia on the Board of Directors of the Company.

Mr. Vimal Lunia is a Science Graduate & having experience in various fields.

None of the directors of the Company are interested in the resolution except Shri Harsh Kumar Vora.

**ITEM NO. 10**

The Company has received a notice under Section 257 of the Companies Act, 1956 read with Articles of Association of the Company proposing candidature of Mr. Nirmal Lunia on the Board of Directors of the Company.

Mr. Nirmal Lunia is a Commerce Graduate & having experience in field of Marketing.

None of the directors of the Company are interested in the resolution except Shri Harsh Kumar Vora.

**BY ORDER OF THE BOARD****PLACE : INDORE****DATE : 21st August, 2003****Registered Office :**

A - 204, Kailash Esplanade,  
Opposite Shreyas Cinema,  
L.B.S. Marg, Ghatkopar (West),  
MUMBAI - 400 086

**DINESH KUMAR SHARMA**  
**COMPANY SECRETARY**

**D & H**  
**INDIA****DIRECTOR'S REPORT**

To

The Members

Your directors have pleasure in presenting Seventeenth Annual Report on the business and operations of the Company together the Audited Statement of Accounts for the year ended 31st March, 2003.

**OPERATIONAL PERFORMANCE**

The sales performance of the Company has shown improvement over the last year. The cost effective measures have also contributed to the improved performance in terms of profitability, inspite of significant increase in the cost of raw materials.

The operational performance of the Company for the period under review is as below :

	<b>Year ended 31.03.2003</b>	<b>Year ended 31.03.2002</b>
Sales and other Income	<b>1123.15</b>	926.65
Gross Profit before Interest & Depreciation	<b>71.39</b>	60.67
Interest and Financial Charges	<b>(32.01)</b>	(32.29)
Depreciation	<b>(24.58)</b>	(23.39)
Net Profit for the year	<b>14.80</b>	12.29
Provision for Income Tax (Current)	<b>4.00</b>	0.95
Balance carried from previous year	<b>43.76</b>	35.20
Profit available for appropriation	<b>54.23</b>	43.76
Transfer to General Reserve	<b>NIL</b>	NIL
Balance carried to Balance Sheet	<b>54.23</b>	43.76

**DIVIDEND**

In order to conserve financial resources your directors regret their inability to declare any dividend for the period under review.

**DIRECTORS**

Shri Sushil Rawka and Shri B.L. Kakrecha, directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for the re-appointment. The board of directors recommend their re-appointment.

**CORPORATE GOVERNANCE**

Report on Corporate Governance is enclosed and is forming part of the annual report. A certificate from the Statutory Auditors of the Company regarding Compliance of the Conditions of the Corporate Governance is attached to this report & is self explanatory.

**FIXED DEPOSITS**

Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.