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ANNUAL REPORT 2003-04

D & H WELDING ELECTRODES (INDIA) LTD.

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BOARD OF DIRECTORS	Shri **J. C. Kapur**	-	Director
	Shri **Sushil Rawka**	-	Director
	Shri **Vimal Lunia**	-	Director
	Shri **Nirmal Lunia**	-	Director
	Shri **Vinod Vora**	-	Director
	Shri **Madhusudan Jain** (w.e.f. 24.01.2004)	-	Whole time Director
	Shri **V. S. Bhate**	-	Director (Technical)
	Shri **Harsh Kumar Vora**	-	Managing Director
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, Bilaspur		
BANKERS	State Bank of India		
AUDITORS	M/s. ABN & Co. Indore		
REGISTRAR & SHARE TRANSFER AGENT	Ankit Consultancy Pvt. Ltd., 2nd Floor, Alankar Point, Geeta Bhawan, A.B. Road, Indore.		

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NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of **D & H Welding Electrodes (India) Limited** will be held on Wednesday the 29th day of September, 2004 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 - 400 086 to transact the following business :-

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004, the Profit and Loss Account of the Company for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of **Shri Vinod Vora**, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of **Shri J.C. Kapur**, who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution.
   "RESOLVED THAT pursuant to the provisions of the Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s ABN & Co. Chartered Accountants, Indore the retiring auditors of the Company, to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors, from time to time and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit."

As Special Business

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution :**
   "RESOLVED THAT Mr. Madhusudan Jain, an Additional Director of the Company, who under section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting, and in respect of whom the Company has received notice in terms of provisions of Section 257 and other applicable provisions of the Companies Act, 1956, if any read with Listing Agreement, proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company."
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, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, approval of members of the Company be and is hereby accorded for the appointment of Mr. Madhusudan Jain as Whole Time Director of the Company for a period of three years w.e.f. 24.01.2004 on the terms and conditions including those of remuneration as enumerated in the explanatory statement;
   RESOLVED FURTHER THAT the agreement entered into by the Company with Mr. Madhusudan Jain in regard to above be and is approved and confirmed;
   RESOLVED FURTHER THAT the Board of Directors be given liberty to alter and vary the terms and conditions of appointment of Mr. Madhusudan Jain including remuneration payable to him subject to the provisions of Schedule XIII of the Companies Act, 1956, as amended from time to time."

BY ORDER OF THE BOARD

PLACE: INDORE
DATE : 21ST Aug, 2004

HARSH KUMAR VORA
Managing Director

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

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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 Friday, 24th September, 2004 to Wednesday, 29th September, 2004 (both days inclusive).

C. Pursuant to Section 205A of the Companies Act, 1956 the amount of dividend for the financial year ended 31st March, 1997, remaining unpaid or unclaimed for a period of seven years shall hereafter be transferred to the Investor Education and Protection Fund of the Central Government ("the Fund").
Shareholders who have not en-cashed the dividend warrant for the financial year ended 31st March, 1997 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 in respect of the individual amounts which were unclaimed or unpaid for a period of seven years from the date they became first due for payment and no payment shall be made in respect of such claims.

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.

E. Members are requested to send their queries, if any, at least seven days in advance of the meeting so that the information can be made available at the meeting.

BY ORDER OF THE BOARD

PLACE: INDORE
DATE : 21ST Aug, 2004

HARSH KUMAR VORA
Managing Director

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Explanatory Statement under Section 173(2) of the Companies Act, 1956

ITEM NO. 5

Mr. Madhusudan Jain was appointed as Additional Director by the Board of Directors at their meeting held on 24.01.2004 and his tenure as such expires on the date of ensuing annual general meeting.

Mr. Madhusudan Jain is a B.E (Mech.) from the University of Rajasthan. He has 14 years experience in the Industry. Board is of the opinion that his induction on the Board will strengthen the functioning of the Company.

Your Board of Directors recommend his appointment as a Director liable to retire by rotation on the Board of Company.

None of the Directors of the Company are concerned or interested in the said resolution except Shri Harsh Kumar Vora and Shri Vinod Vora.

ITEM NO. 6

As mentioned in explanation to Item No.5, Mr. Madhusudan Jain was appointed as Additional Director and further as Whole Time Director by the board on 24.01.2004 subject to the approval of members of the Company.

It is proposed to appoint Mr. Madhusudan Jain as Whole time Director for a period of three years with effect from 24.01.2004 on such terms and conditions as below :-

Salary : Rs. 16500/- per month with an annual increment to be decided by the Board of Directors / Remuneration Committee from time to time.

Provident Fund : Company's contribution towards Provident Fund as per the rules of the Company for the time being in force.

Bonus, Gratuity and Leave encashment: As per the rules of the Company as amended from time to time.

The remuneration payable to him is subject to review from time to time as may be decided by the Board of Directors of the Company.

The appointment of Shri Madhusudan Jain as Whole Time Director is in accordance with the provisions of the schedule XIII of the Companies Act, 1956. According to the schedule XIII to the Companies Act, 1956, the re-appointment requires approval of the Members of the Company.

The explanatory statement together with the accompanying Notice should be treated as an abstract of the terms of the contract of the appointment of the Whole time Director in accordance with the provisions of sub section (2) of the Section 302 of the Companies Act, 1956.

The Board of Directors recommend the proposed resolution.

None of the Directors of the Company are concerned or interested in the said resolution except Shri Harsh Kumar Vora and Shri Vinod Vora.

BY ORDER OF THE BOARD

PLACE: INDORE
DATE : 21ST Aug, 2004

HARSH KUMAR VORA
Managing Director

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DIRECTOR'S REPORT

To,
The Members

Your Directors have pleasure in presenting Eighteenth Annual Report on the business and operations of the Company together the Audited Statement of Accounts for the year ended 31st March, 2004.

OPERATIONAL PERFORMANCE

The operational performance is as below :-

	Year ended 31.03.2004	Year ended 31.03.2003 (Rs. In lacs)
Sales and other Income	1500.11	1123.15
Gross Profit before Interest & Depreciation	77.41	71.39
Interest and Financial Charges	(25.11)	(32.01)
Depreciation	(26.58)	(24.58)
Net Profit for the year	25.72	14.80
Provision for Income tax (Current)	11.50	4.00
Balance carried from previous year	54.23	43.76
Profit available for appropriation	70.15	54.23
Transfer to General Reserve	Nil	Nil
Balance carried to Balance sheet	70.15	54.23

The Company has achieved sales target of Rs. 14.98 Crores which is quite encouraging looking to continuous hike in steel prices, raw material for the Industry. The Board of Directors look forward to more better results in the next year.

DIVIDEND

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

DIRECTORS

During the year Mr. B.L. Kakrecha, resigned from the Directorship of the Company due to pre-occupation. He being instrumental in bringing the Company to such heights. The Board take this opportunity to place on record sincere appreciation for the services rendered by him towards the progress of the Company during his tenure as Director.

Shri Vinod Vora & Shri J.C. Kapur, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for the re-appointment. The Board of Directors recommend their re-appointment.

Also Mr. Madhusudan Jain was appointed as Additional Director by the Board of Directors at their meeting held on 24th January, 2004 and further as Whole time Director for a period of 3 years. As an additional Director his term expires on the date of Annual General meeting. The Company has received a notice under section 257 of the Companies Act, 1956 proposing his candidature for the post of Director liable to retire by rotation.

Approval of members is also sought by Ordinary Resolution to appoint him Whole time Director w.e.f. 24th January, 2004.

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CORPORATE GOVERNANCE

Schedule on corporate governance is enclosed as a part of Director's Report as Table.

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.

DIRECTOR'S RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956 your Directors confirm that

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of financial year and of the profit of your Company for that period;
c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
d) the Directors had prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNING AND OUTGO

Particulars with respect to the Conservation of Energy and Technology absorption under the Company (Disclosure of particulars in the report of Board of Directors) Rules 1988, are given as Annexure to this report.

There is no Foreign Exchange earning and outgo during the Year.

AUDITORS

M/s ABN & Co. Chartered Accountants, Indore, statutory auditors of the company retire at the ensuing annual general meeting and being eligible offers himself of the re-appointment. Your board recommends his re-appointment.

AUDITOR'S REPORT

Report of the Auditors and their observations on the Accounts of the Company for the year under review are attached herewith.

PARTICULARS OF EMPLOYEE'S

There is no information to be given in terms of section 217(2A) of the Companies Act, 1956 read with the Rules framed there under.

INDUSTRIAL RELATIONS

The relations with the Employees and the workers continued to be cordial during the year. The Director wish to place on record their sincere appreciation for the excellent team spirit with which the employees have worked.

ACKNOWLEDGMENT

The Directors wish to place on record their appreciation for the sincere cooperation extended by the shareholders, Banker and all other Govt. Agencies in carrying out the business of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE: INDORE
DATE : 21ST August, 2004

HARSH KUMAR VORA
Managing Director

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