

## **BOARD OF DIRECTORS**

Mr. <b>Jagdish C. Kapur</b>	- Director
Mr. <b>Sushil Rawka</b>	- Director
Mr. <b>Vimal Lunia</b>	- Director
Mr. <b>Nirmal Lunia</b>	- Director
Mr. <b>Surjit Singh</b>	- Director
Mr. <b>Basant Singh Johari</b>	- Director
Mr. <b>Vasudeo S. Bhate</b>	-Director (Technical)
Mr. <b>Madhusudan Jain</b>	-Whole Time Director
Mr. <b>Harsh Kumar Vora</b>	- Managing Director

## **COMPANY SECRETARY**

Mr. **Rajesh Sen**

## **REGISTERED OFFICE**

A - 204, Kailash Esplanade,  
Opposite Shreyas Cinema, L.B.S. Marg,  
Ghatkopar (West), Mumbai - 400086

## **ADMINISTRATIVE OFFICE CUM WORKS**

Plot 'A', Sector 'A', Industrial Area,  
Sanwer Road, Indore - 452015  
Madhya Pradesh

## **BANKERS**

State Bank of India

## **AUDITORS**

M/s. ABN & Co.  
Indore

## **REGISTRAR & SHARE TRANSFER AGENT**

M/s Ankit Consultancy Private Ltd  
2<sup>nd</sup> Floor, Alankar Point,  
Geeta Bhawan Square,  
Indore - 452 001 (M.P)

## NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING

**Notice** is hereby given that the **Twenty Fifth Annual General Meeting** of the members of **D & H Welding Electrodes (India) Limited** will be held on Thursday the 30<sup>th</sup> day of September, 2010 at 10:00 a.m. at the Registered Office of the Company situated 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 Balance Sheet as on 31<sup>st</sup> March, 2010 and Profit & Loss Account of the Company for the year and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Basant Singh Johari, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Surjit Singh, Director who retires by rotation and being eligible, offers himself for re-appointment
5. 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, from whom a certificate under Section 224 (1B) of the Companies Act, 1956 has been obtained, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company, from time to time based on the recommendation of Audit Committee plus service tax and such other tax(es) as may be applicable and reimbursement of out of pocket expenses incurred by them for carrying out the Audit”

### AS SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

**“RESOLVED THAT** in supersession of Resolution No. 6 passed at the Twenty Fourth Annual General Meeting of the Company held on 30<sup>th</sup> September, 2009 and in pursuant to the provisions of Section 198, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the Act and in accordance with the order received from Central Government under Section 637A and 637AA of the Companies Act, 1956, the members hereby accord their approval for the revision in remuneration payable to Mr. Harsh Kumar Vora, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) on such remuneration as is set out in the explanatory statement annexed with the notice of this meeting, w.e.f 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2010

**FURTHER RESOLVED THAT** the members hereby accord their consent for the revision in remuneration payable to Mr. Harsh Kumar Vora, Managing Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) on such remuneration as is specified in the explanatory statement annexed with the notice of this meeting w.e.f 1<sup>st</sup> October, 2010 till the remaining part of his tenure i.e 28<sup>th</sup> October, 2011

**FURTHER RESOLVED THAT** approval of the members of the Company be and is hereby accorded to the Board of Directors to alter/ revise the terms and conditions of the appointment of Mr. Harsh Kumar Vora, including remuneration payable to him in accordance with the provisions of the Schedule XIII to the Companies Act, 1956 as the Board of Directors may deem fit and as may be agreed by Mr. Harsh Kumar Vora

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to decide the yearly increment payable to Mr. Harsh Kumar Vora, Managing Director of the Company within agreed terms and conditions, on the recommendation of Remuneration Committee

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required in this regard to give effect to this resolution”

7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

**“RESOLVED THAT** in partial modification of Resolution No. 8 passed at the Twenty Fourth Annual General Meeting of the Company held on 30<sup>th</sup> September, 2009 and in pursuant to the provisions of Section 198, 309 and other applicable provisions if any, of the Companies Act, 1956 read with Schedule XIII to the Act and in accordance with the order received from Central Government under Section 637A and 637AA of the Companies Act, 1956, the members hereby accord their approval for the revision in remuneration payable to Mr. Madhusudan Jain, Whole-Time Director of the Company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) on such remuneration as is set out in the explanatory statement annexed with the notice of this meeting, w.e.f 24<sup>th</sup> January, 2010 for the remaining part of his tenure i.e upto 23<sup>rd</sup> January, 2013

**FURTHER RESOLVED THAT** approval of the members of the Company be and is hereby accorded to the Board of Directors to alter/ revise the terms and conditions of the appointment of Mr. Madhusudan Jain, including remuneration payable to him in accordance with the provisions of the Schedule XIII to the Companies Act, 1956, as the Board of Directors may deem fit and as may be agreed by Mr. Madhusudan Jain

**FURTHER RESOLVED THAT** the Board of Directors be and is hereby authorized to decide the yearly increment payable to Mr. Madhusudan Jain, Whole Time Director of the Company within agreed terms and conditions, on the recommendation of Remuneration Committee

**FURTHER RESOLVED THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as may be required in this regard to give effect to this resolution”

8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 149(2A)(b) of the Companies Act, 1956, approval be and is hereby accorded to the Company for commencing and carrying on the business and activities as is detailed in the following clause of the “Object Clause” of Memorandum of Association of the Company:-

**46.** To search for, crush, wind, get, quarry, reduce, smelt, calcine, refine, dress, amalgamate, manipulate, and prepare for market ferrous and non- ferrous metal, ore, quartz, metal and mineral substances of all kinds including oil and to carry on any other prospecting mining and metallurgical operations and to work mines or quarries and to search for get, work, process calcine, raise, crush, smelt, manufacture, make merchantable,

sell or otherwise deal in iron, coal, coal tar, stone, cement, lime, limestone, chalk, clay, bauxite, soap, stone, ores, metals, minerals, precious and other stones, deposits, products and all other kinds of by-products thereof and generally to carry on the business of mining in all its branches.

**BY ORDER OF THE BOARD**

**PLACE: INDORE**  
**DATE: 17<sup>th</sup> August, 2010**

**HARSH KUMAR VORA**  
**(MANAGING DIRECTOR)**

**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 VALID AND EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- B.** The Register of Members and the Share Transfer Books of the Company will remain closed from 25<sup>th</sup> September, 2010 to 30<sup>th</sup> September, 2010 (both days inclusive).
- C.** Members are requested to send their queries, if any, at least seven days in advance of the meeting to enable the Company to keep the information ready at the meeting.
- D.** Members are requested to bring their copies of Annual Report with them since separate copies will not be distributed at the venue of the Meeting.
- E.** Mr. Basant Singh Johari is a Science graduate having rich experience in wire drawing industries. He has been associated with the Company since long time.
- F.** Mr. Surjit Singh is a retired IPS officer and has been associated with the Company since long time.

**BY ORDER OF THE BOARD**

**PLACE: INDORE**  
**DATE: 17<sup>th</sup> August, 2010**

**HARSH KUMAR VORA**  
**(MANAGING DIRECTOR)**

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

### **ITEM NO. 6**

Mr. Harsh Kumar Vora was reappointed as Managing Director of the Company for a period of Three years by the Board of Directors at their meeting held on 22<sup>nd</sup> August, 2008 which was approved by the Shareholders of the Company at their Annual General Meeting dated 22<sup>nd</sup> September, 2008.

On 30<sup>th</sup> September, 2009 the members of the Company approved the proposal for revision in remuneration of Mr. Harsh Kumar Vora w.e.f 1st October, 2009 for the remaining part of his tenure, which was duly recommended by the Remuneration Committee and simultaneously approved by the Board of Directors.

Considering the resolution passed in the Annual General Meeting dated 30.09.2009, the Company made an application to the Central Government, for making the payment to the Managing Director beyond the limit specified in Schedule XIII to the Companies Act, 1956 for which an order was received on 23<sup>rd</sup> July, 2010 via letter no A75268185/2010-CL VII. In compliance with the said order, the Remuneration committee at their meeting held on 5<sup>th</sup> August, 2010 and the Board of Directors on 17<sup>th</sup> August, 2010 approved the revision in remuneration of Mr. Harsh Kumar Vora, Managing Director of the Company w.e.f 1<sup>st</sup> October, 2009 to 30<sup>th</sup> September, 2010 on the following terms and condition:

The remuneration payable to Mr. Harsh Kumar Vora will be within the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory amendment(s) or modification(s) or re-enactments thereof from time to time in force. Presently the limit for payment of maximum remuneration is Rs. 2,50,000.00 per month.

Moreover Mr. Harsh Kumar Vora, Managing Director of the Company will be paid remuneration as is specified in the above-mentioned para w.e.f 1<sup>st</sup> October, 2010 till the remaining part of his tenure i.e 28<sup>th</sup> October, 2011.

As per Schedule XIII to the Companies Act, 1956 in case of absence of profits or inadequacy of profits, payment of prescribed remuneration requires approval of members of the Company by way of Special Resolution and hence this a Special Resolution.

The explanatory statement together with the accompanying notice should be treated as an abstract of the terms of contract of revised remuneration of the Managing Director in accordance with the provisions of sub-section(2) of the Section 302 of the Companies Act, 1956.

The Board of Directors recommends the proposed resolution for your approval as Special Resolution.

None of the Directors except Mr. Harsh Kumar Vora, Mr. Madhusudan Jain, Mr. Vimal Lunia & Mr. Nirmal Lunia are deemed to be interested in the resolution.

### **ITEM NO. 7**

Mr. Madhusudan Jain was reappointed as Whole Time Director of the Company for a period of Three years by the Board of Directors at their meeting held on 31<sup>st</sup> July, 2009 which was approved by the Shareholders of the Company at their Annual General Meeting dated 30<sup>th</sup> September, 2009.

The abovementioned re-appointment of Mr. Madhusudan Jain was made on the revised terms and conditions, which was duly recommended by the Remuneration Committee and simultaneously approved by the Board of Directors.

Considering the resolution passed in the Annual General Meeting dated 30.09.2009, the Company made an application to the Central Government, requesting the reappointment of Mr. Madhusudan Jain as Whole Time Director of the Company on the remuneration beyond the limit specified in Schedule XIII to the Companies Act, 1956. In response to such application, an order was received via Letter no. A77289304/2010- CL VII dated 16<sup>th</sup> July, 2010, confirming the reappointment of Mr. Madhusudan Jain as Whole Time Director of the Company for a period of three years w.e.f 24.01.2010 on the remuneration within the limits of Companies Act, 1956. In compliance with the said order, the Remuneration committee at their meeting held on 5<sup>th</sup> August, 2010 and the Board of Directors on 17<sup>th</sup> August, 2010 approved the following revised remuneration:

The remuneration payable to Mr. Madhusudan Jain will be within the limits specified in Schedule XIII of the Companies Act, 1956 including any statutory amendment(s) or modification(s) or re-enactments thereof from time to time in force. Presently the limit for payment of maximum remuneration is Rs. 2,50,000.00 per month.

As per Schedule XIII to the Companies Act, 1956 in case of absence of profits or inadequacy of profits, payment of prescribed remuneration requires approval of members of the Company by way of Special Resolution and hence this a Special Resolution.

The explanatory statement together with the accompanying notice should be treated as an abstract of the terms of contract of revised remuneration 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 recommends the proposed resolution for your approval as Special Resolution.

None of the Directors except Mr. Harsh Kumar Vora, Mr. Madhusudan Jain are deemed to be interested in the resolution.

#### **ITEM NO. 8**

Section 149 (2A) of the Companies Act, 1956 stipulates that no Company having a share capital shall commence any business stated in the “Other Objects” of the “Object Clause” of Memorandum of Association unless the Company has approved the commencement of such new business by way of Special Resolution passed in that behalf by its shareholders.

With the growth and development of mining sector and in order to diversify the activities of the Company, it is proposed that the Company shall venture into mining sector. Considering the limited work profile of the Company, it is recommended to commence the business and activities as is mentioned in Item No. 8. Accordingly the Board of Directors recommends the proposed resolution for your approval as Special resolution.

The Copy of Memorandum of Association of the Company is kept open for inspection at the Company's Registered office between 11.00 a.m to 1.00 p.m on any working day prior to the date meeting.

None of the Directors is, in any way, concerned or interested in the said resolution.

## DIRECTORS' REPORT

To  
The Members

Your directors have pleasure in presenting **Twenty Fifth Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### OPERATIONAL PERFORMANCE

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

	<b>Year ended 31.03.2010 (Rs. in lacs)</b>	<b>Year ended 31.03.2009 (Rs. in lacs)</b>
Gross Sales and other Income	5658.64	5454.40
Profit before Interest & Depreciation	307.50	458.08
Interest and Financial Charges	12.96	39.23
Depreciation	53.31	45.82
Net Profit for the year	241.23	373.03
Provision for Income tax (Current)	76.75	120.00
Balance carried from previous year	539.66	467.20
Profit available for appropriation	698.67	708.21
Provision for dividend & Dividend distribution tax	37.08	68.55
Transfer to General Reserve	50.00	100.00
Balance carried to Balance sheet	611.59	539.66

The sales performance of the Company has shown improvement over the last year. However the profit of the Company has been adversely affected, mainly on account of substantial increase in the prices of raw material.

### DIVIDEND

Your directors are pleased to recommend a dividend of 5 % (Re. 0.50 per share) absorbing a sum of Rs 31.80 Lacs. The dividend will be paid to all shareholders whose names appear in the Register of Members as on the book closure date.

### EXPORT

Your company has chalked out a plan to grow in the export market. This segment of the business is expected to grow at a faster rate, in the coming years.

### EXPANSION

Company is in the process of expanding its capacity and is also entering into allied business. The Company had already taken steps for the purpose of expansion and diversification and for this funds have been arranged through internal sources.

## **DIRECTORS**

Mr. Basant Singh Johari and Mr. Surjit Singh, 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 recommends their re-appointment.

## **CORPORATE GOVERNANCE**

Report on Corporate Governance is enclosed and is forming part of the Directors' Report. A certificate from the Statutory Auditors of the Company regarding Compliance of the conditions of the Corporate Governance is attached to this report.

## **FIXED DEPOSITS**

Company has not accepted any deposits within the meaning of Section 58A and 58AA 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: -

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that they 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;
- (iii) 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;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

## **CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE**

Details of Conservation of Energy and Technology Absorption under provisions of Section 217 (1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 are given as Annexure to this report.

Foreign Exchange earning was Rs. 5.27 Lacs and the outgo was Rs.105.98 Lacs during the Year.

## **AUDITORS**

M/s ABN & Co. Chartered Accountants, Indore being Statutory Auditors of the Company are liable to retire by rotation at the ensuing Annual General Meeting and who being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

## **AUDITOR'S REPORT**

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

## **PARTICULARS OF EMPLOYEES**

Particulars pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of the Director's report for the year ended 31<sup>st</sup> March, 2010 is given in Annexure 'C'



## **ACKNOWLEDGMENT**

The Directors thank the customers, vendors, investors, business associates and bankers for their support to the Company.

The Directors also thank the Government of India, the Concerned State Governments and other Government Departments and Government Agencies for their cooperation.

### **FOR AND ON BEHALF OF THE BOARD**

**PLACE : INDORE**

**HARSH KUMAR VORA**

**VASUDEO S. BHATE**

**DATE : 17<sup>th</sup> August, 2010**

**MANAGING DIRECTOR**

**TECHNICAL DIRECTOR**

## ANNEXURE TO DIRECTORS' REPORT

### FORM 'A'

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

The company is not covered under the list of specified industries. However, required energy conservation measures were already taken to ensure optimum power consumption to the extent necessary.

### FORM 'B'

#### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

1. Specific areas in which R & D carried out by the company.
2. Benefit derived as a result of above R & D
3. Future plan of action
4. Expenditure on R & D
  - a) Capital
  - b) Recurring
  - c) Total
  - d) Total R & D expenditure as percentage of total turnover.

No R&D carried out.  
Therefore no Expenses were Incurred on R&D

Technology absorption, adaptation and innovation.

1. Efforts in brief made towards technology absorption adaptation and innovation.
2. Benefits derived as a result of the above efforts e.g. product improvement, product development, imports substitution etc.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year)
  - a) Technology
  - b) Year of Import
  - c) If not fully absorbed areas where this has not taken place, reasons therefore and future plans of action.

NIL

## ANNEXURE – C

#### STATEMENT PURSUANT TO SECTION 217(2A) OF THE COMPANIES, ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF THE DIRECTOR'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010

Name	Age (years)	Designation	Remuneration (Amount in Rs.)	Qualification	Experience (in years)	Date of joining	Previous employment
Harsh Kumar Vora	47	Managing Director	28,03,900.00	B.Com	26	06.12.1990	Nil
Madhusudan Jain	43	Whole Time Director	20,41,497.00	B.E (Mechanical)	19	24.01.2004	Mandu Industries Limited