



ANNUAL REPORT 2012-13

D & H INDIA LIMITED
Formerly 'D & H Welding Electrodes (India) Ltd'

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BOARD OF DIRECTORS

Mr. Jagdish C. Kapur	- Director
Mr. Sushil Rawka	- Director
Mr. Vimal Lunia	- Director
Mr. Nirmal Lunia	- Director
Mr. Surjit Singh	- Director
Mr. Basant Singh Johari	- Director
Mr. Vasudeo S. Bhate	- Director (Technical)
Mr. Madhusudan Jain	- Whole Time Director
Mr. Harsh Vora	- 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
HDFC Bank

AUDITORS

M/s. ABN & Co., Indore

REGISTRAR & SHARE TRANSFER AGENT

M/s Ankit Consultancy Private Ltd
Plot No. 60, Electronic Complex
Pardeshipura, Indore (M.P.) - 452 010

NOTICE OF TWENTY EIGHTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Eighth Annual General Meeting** of the members of **D & H India Limited** will be held on Monday the 30th day of September, 2013 at 10:00 a.m. at **A-507, 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 31st March, 2013 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 Mr. Basant Singh Johari, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. 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 & 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 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Mr. Saurabh Vora, a relative of Mr. Harsh Vora, Managing Director of the Company, to hold an office or place of profit under the Company as Management Executive of the Company with effect from 1st March, 2013 on remuneration of Rs. 35,000/- p.m. and he will also be entitled other facilities and reimbursement of traveling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for attending the works/assignments of the Company."
7. To consider & 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 314 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Mrs. Atithi Vora, a relative of Mr. Harsh Vora, Managing Director of the Company, to hold an office or place of profit under the Company as Management Executive of the Company with effect from 1st March, 2013 on remuneration of Rs. 35,000/- p.m. and she will also be entitled other facilities and reimbursement of traveling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for attending the works/assignments of the Company."

PLACE: INDORE

DATE: 27th May, 2013

RAJESH SEN

(COMPANY SECRETARY)

NOTES:

1. 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.
2. The Company has already notified closure of Register of Members and Share Transfer Books from 23th Sept., 2013 to 30th Sept., 2013 (both days inclusive) for the determining the names of members eligible for dividend on equity shares, if declared at the meeting. The Dividend on equity shares if declared at the meeting, will be credited/dispatched to those members whose names shall appear on the Company's Register of Members on 30th Sept., 2013 in respect of the shares held in dematerialized form, the dividend will be paid to members, those names are furnished by NSDL/CDSL as beneficial owners as on that date.
3. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend, the Company or its Registrar and Transfer Agent cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates, such changes are to be advised only to the depository participant of the members.
4. Relevant documents referred into the accompanying notice are open for inspection by the members at the registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M. up to the date of meeting.
5. Pursuant to the provisions of section 205A(5) and 205C of the Companies Act, 1956, the Company shall transfer the unpaid dividend amount for the year 2006-07 after expiry of 7 years period from transfer of the same to the Unpaid Dividend account. The Members are requested to please submit their request for revalidation of the dividend warrants for the unpaid dividend if any for the year 2006-07 and onward.
6. 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.
7. 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.
8. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, mandates, nominations, power of attorney, change of address, change of name and e-mail address etc., to their Depository Participants. Changes intimated to the Depository Participants will be automatically reflected in the Company's record which will help the Company and M/s. Ankit Consultancy Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are also requested to intimate such changes to M/s. Ankit Consultancy Pvt. Ltd. under the signatures of first/joint holder(s).
9. The Ministry of Corporate Affairs has introduced 'Green Initiative' whereby the documents are permitted to be served on the members through electronic mode i.e., e-mail. This initiative is a step towards protection of environment and enabling faster communication with the members.
Accordingly, the Company proposed to serve all the documents to e-mail addresses of the members. Members are requested to provide/update their e-mail addresses with their respective Depository Participants (DP) or send an e-mail at companysecretary@dnhindia.com to get the Annual Report and other documents on such e-mail address. Members holding shares in physical form are also requested to register their e-mail address on Website of M/s. Ankit Consultancy Pvt. Ltd. through login on http://www.wix.com/harsh_ng/ankitonline.
10. Pursuant to the Clause No.49 of the Listing Agreement, profile of the Directors proposed for appointment/re-appointment being given in a statement containing details of the concerned Directors is attached hereto

Name and Designation of Appointee	Age (Years)/ Qualifications	Expertise/ Experience	Date of appointment	Other Directorship	No of shares held & %age
Mr. Basant Singh Johari (Non Executiv Director)	82 Year Science graduate	He has rich experience in the Industry.	30/07/2005	Nil	Nil
Mr. Surjit Singh (Non Executive Director)	77 Year Retired IPS	He has rich experience in the various field	22/06/2005	Nil	Nil

BY ORDER OF THE BOARD**PLACE: INDORE**
DATE: 27th May, 2013**RAJESH SEN**
(COMPANY SECRETARY)

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

ITEM NO. 6:

Mr. Saurabh Vora is qualified with B-Tech. he was appointed as Management Executive of the Company w.e.f. 1st March, 2013 on remuneration of Rs. 35,000/- p.m. and he will also be entitled other facilities and reimbursement of traveling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for attending the works/assignments of the Company for a period of One Year. He is relative of Mr. Harsh Vora, Managing Director of the Company.

Mr. Harsh Vora was appointed as Director of the Company w.e.f. 06.12.1990. Mr. Harsh Vora has been re-appointed as Managing Director of the Company for a period of Three year w.e.f. 29.10.2011. Mr. Harsh Vora is relative of Mr. Saurabh Vora, hence Mr. Saurabh Vora is deemed to hold an office or place of profit under section 314 of the Company Act, 1956. Therefore approval of the members of the Company by Special Resolution is required. The Board of Director recommends the shareholders to accord their consent Mr. Saurabh Vora for his continuing to hold the office or place of profit under the Company a Management Executive.

Remuneration committee of the Board at its meeting held on 7th February, 2013 has considered and approved his appointment for a period of one year. The Board has also consider that appointment of Mr. Saurabh Vora, would be immense benefit to the Company and accepted the recommendation/approval of the Remuneration Committee at their meeting held on 11th February, 2013 and has approved appointment of Mr. Saurabh Vora as Management Executive of the Company.

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

ITEM NO. 7:

Mrs. Atithi Vora is qualified C.A. she was appointed as Management Executive of the Company w.e.f. 1st March, 2013 on remuneration of Rs. 35,000/- p.m. and she will also be entitled other facilities and reimbursement of traveling, conveyance and other actual out of pocket expenses as per the rules of the Company as applicable to other executives of the same grade for attending the works/assignments of the Company for a period of One Year. She is relative of Mr. Harsh Vora, Managing Director of the Company.

Mr. Harsh Vora was appointed as Director of the Company w.e.f. 06.12.1990. Mr. Harsh Vora has been re-appointed as Managing Director of the Company for a period of Three year w.e.f. 29.10.2011. Mr. Harsh Vora is relative of Mrs. Atithi Vora, hence Mrs. Atithi Vora is deemed to hold an office or place of profit under section 314 of the Company Act, 1956. Therefore approval of the members of the Company by Special Resolution is required. The Board of Director recommends the shareholders to accord their consent Mrs. Atithi Vora for her continuing to hold the office or place of profit under the Company a Management Executive.

Remuneration committee of the Board at its meeting held on 7th February, 2013 has considered and approved her appointment for a period of one year. The Board has also consider that appointment of Mrs. Atithi Vora, would be immense benefit to the Company and accepted the recommendation/approval of the Remuneration Committee at their meeting held on 11th February, 2013 and has approved appointment of Mrs. Atithi Vora as Management Executive of the Company.

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

BY ORDER OF THE BOARD

PLACE: INDORE

DATE: 27th May, 2013

**RAJESH SEN
(COMPANY SECRETARY)**

DIRECTORS' REPORT

To

The Members

Your directors have pleasure in presenting **Twenty Eighth Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2013.

OPERATIONAL PERFORMANCE

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

	Year ended 31.03.2013 (Rs. in lacs)	Year ended 31.03.2012 (Rs. in lacs)
Gross Sales and other Income	7664.61	7279.44
Profit before Interest & Depreciation	543.71	467.12
Interest and Financial Charges	60.08	24.58
Depreciation	90.83	87.47
Net Profit for the year	387.18	355.07
Provision for Income tax (Current)	128.17	115.86
Balance carried from previous year	823.91	677.70
Profit available for appropriation	1082.89	916.91
Provision for dividend & Dividend distribution tax	43.00	43.00
Transfer to General Reserve	100.00	50.00
Balance carried to Balance sheet	939.89	823.91

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.

DIVIDEND

Your directors are pleased to recommend a dividend of 5% (Re. 0.50 per share) absorbing a sum of Rs 37.00 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. Nirmal Lunia, 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 96.73 Lacs and the outgo was Rs.231.04 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

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.

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

HARSH VORA
MANAGING DIRECTOR

VASUDEO S. BHATE
TECHNICAL DIRECTOR

PLACE: INDORE

DATE : 27th May, 2013

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 31ST MARCH, 2013**

S. No.	Name	Age (years)	Designation	Remuneration (Amt. in Rs.)	Qualification	Experience (in years)	Date of Joining	Previous Employment
1	Harsh Vora	50	Managing Director	84,00,000	B.Com.	29	06.12.1990	NIL

Notes:

1. The monthly remuneration of Mr. Harsh Vora, Managing Director of the Company exceeded the limit of Rs. 5,00,000 w.e.f 29.10.2011.
2. Remuneration has been calculated on the basis of Section 198 of the Companies Act, 1956
3. The employment is contractual in accordance with the terms and conditions as per the agreement.
4. Mr. Madhusudan Jain, Whole Time Director is the relative of Mr. Harsh Vora, Managing Director of the Company.
5. Mr. Harsh Vora, Managing Director of the Company is the relative of Mr. Madhusudan Jain, Mr. Nirmal Lunia and Vimal Lunia, Directors of the Company.

FOR AND ON BEHALF OF THE BOARD**PLACE: INDORE****DATE : 27th May, 2013****HARSH VORA
MANAGING DIRECTOR****VASUDEO S. BHATE
TECHNICAL DIRECTOR**

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Performance

The overall production of the Company was decreased by about 0.53 % and sales & other income increased by 5.30 % to Rs.76.65 Crores, as against 72.79 Crores in the last year. The Profit before Tax was Rs. 3.87 Crores.

Opportunities & Threats

Although the Company is facing a stiff competition from SSI Units, it is posed to enter into new ventures in the welding line to add more products into its product range. The profit-oriented business is given a thrust and hopefully Company is all positive to make in roads in market leading of first rung companies. The bigger problem is the unsteady pricing factor of ferrous items of which prices are decided by London Metal Market.

Risks & Concerns

Dependability on raw material supplies continues to be a big risk for the Company to face. It is pertinent to ensure easy availability of raw materials such as Rutile, Steel and Metals at fair prices.

Internal Control System

The company has adequate internal control systems commensurate with the nature and size of the business. All the transaction are properly authorized and recorded. The Company has an Audit Committee, which regularly meets to review the Financial Reports and Statements of the Company. It also invites the Statutory Auditors of the Company to get their opinions and suggestions on the Company's system of preparing and maintaining financial statements and on the adequacy of its internal control system.

Human Resources and Industrial Relations

The Company assigns a great deal of importance to its human resources. Industrial relations with the employees remained cordial during the year. Human Resource Development activities had received considerable focus during the year. The Directors wish to acknowledge the contribution of all the employees in raising the performance of the Company.

Quality Management System ISO - 9001: 2008

Your company's administrative office and works situated at Indore has been certified as ISO 9001: 2008 by International Certification Services for Quality Management System.