



ANNUAL REPORT 2011-12

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 SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Seventh Annual General Meeting** of the members of **D & H India Limited** will be held on Saturday the 29th day of September, 2012 at 10:00 a.m. at A-505, 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, 2012 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. J.C. Kapur, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Nirmal Lunia, 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 198, 269, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act including any statutory amendment(s) or modification(s) or re-enactments thereof for the time being or from time to time in force and subject to the approval of Central Government, as may be required, and subject to such terms, conditions, modifications, and changes as Central Government may direct while according its approval and which the Directors be and are hereby authorized to accept at its sole and absolute discretion, the members hereby accord their approval for the re-appointment of Mr. Madhusudan Jain as Whole Time Director of the Company for a further period of Three Years (3 Years) w.e.f 24th January 2013, on such terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting.

FURTHER RESOLVED THAT in the event of no profit or inadequacy of profits in any Financial Year, during the tenure of Mr. Madhusudan Jain as Whole Time Director of the Company the ofersaid Remuneration as may be approved by the Member/ Central Government as the case may be shall be consider as the minimum remuneration payable by the company to the Whole Timeng directors.

FURTHER RESOLVED THAT the 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 re-appointment of Mr. Madhusudan Jain, including remuneration payable to him in accordance with the provisions of the Companies Act, 1956 as the Board of Directors may deem fit and as may be agreed by the Whole Time Director Mr. Madhusudan Jain.

RESOLVED FURTHER THAT Mr. Madhusudan Jain shall not be subject to retirement by rotation during his tenure as Whole Time Director.

FURTHER RESOLVED THAT the Board of Director of the Company be and is here by authorized to do all such acts, deeds and things as may be required in this regard to give effect to this resolution".

BY ORDER OF THE BOARD

PLACE: INDORE **RAJESH SEN**
DATE: 11th August, 2012 **(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 24th Sept., 2012 to 29th Sept., 2012 (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 29th Sept., 2012 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 / Qualifications	Expertise/ Experience	Date of appointment	Other Directorship	No of shares held & %age
Mr. Madhusudan Jain (Whole Time Director)	46 Year Mechanical Engineer	He has rich experience in the Industry.	24/01/2004	4	60500 i.e 0.81%
Mr. J.C. Kapur (Non Executive Director)	86 Year Science graduate	He has rich experience in the Industry.	11/08/2003	Nil	Nil
Mr. Nirmal Lunia (Non Executive Director)	54 Year Commerce graduate	He has rich experience in the various field	20/09/2003	1	Nil

BY ORDER OF THE BOARD**PLACE: INDORE**
DATE: 11th August, 2012**RAJESH SEN**
(COMPANY SECRETARY)

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

ITEM NO. 6:

Mr. Madhusudan Jain was re-appointed as Whole Time Director for a period of three years w.e.f 24th January, 2010 by the Board of Directors at their meeting held on 21st July, 2009 which was approved by the Shareholders of the Company at their Annual General Meeting held on 30th September, 2009, therefore his tenure as Whole Time Director shall be over on 23rd January, 2013.

Mr. Madhusudan Jain is a Mechanical Engineer and having rich experience in the industry. He is one of the core promoters of the Company and is key instrumental of the Company and the Company has grown under his dynamic leadership and strong management. Therefore the remuneration committee of the Board at its meeting held on 25th July, 2012 has considered and approved his re-appointment for a further period of 3 years on the remuneration, terms and conditions as mentioned herein under.

The Board has also consider that re-appointment of Mr. Madhusudan Jain, would be immense benefit to the Company and accepted the recommendation/approval of the Remuneration Committee at their meeting held on 11th August, 2012 and has approved re-appointment of Mr. Mr. Madhusudan Jain as Whole Time Director on the remuneration as below:-

1. Gross Salary: Rs. 4,00,000/- p.m.

2. Perquisites upto 150% or Rs.6,00,000/- p.m. which ever is lower

The Whole Time director shall be entitled for the following perquisites and other benefits within the above said limit as may be decided by the Board and the same may be by way of perquisites and allowances payable or reimbursement, such as;

- (a) house rent allowance/rent free accommodation, house maintenance allowance,
- (b) allowances for utilities such as gas, electricity, water, furnishing, repairs,
- (c) servants' salaries,
- (d) medical reimbursement,
- (e) group medi claim/accidental insurance / life insurance / keyman insurance,
- (f) leave travel concession for himself and his family,
- (g) club fees,

3. Other exempted benefits:

In addition top above he shall be entitled for the following benefits, which shall not be considered as remuneration within the provisions of the Schedule XIII of the Companies Act, 1956:

- (a) Payment of gratuity as per the rules of the Company.
- (b) Contribution to PF, FBF and Supper annuation funds as per rules of the Company.
- (c) Leave encashment upto 15 days for every one year completed in the employment, payable in each year as per rules of the Company.

4. Facilities:

- (a) The Company shall provide a Company's Car with driver for the Company's work and if the Car is not provided, the company shall reimburse of car/taxi expenses on actual basis.
- (b) The Company shall provide telephone at the residence of the Whole Time Director and a Cell phone with internet facility.

As per the provisions of the Schedule XIII to the Companies Act, 1956, the Company proposes to pay the remuneration in excess of the limit as prescribed under Part II, Section II of the said Schedule and the proposed aforesaid remuneration/salary may in excess of the ceiling prescribed under section 198 read with section 309, i.e. more than 5% / 10% or 11% of the net profits of the Company, which can be paid by way of approval of the members as special resolution and subject to the approval of the Central Government. Your directors submit the following

Information pursuant to Section II of Part II of Schedule XIII to the Companies Act, 1956 for consideration of the members:

I. General Information:

The Company is engaged in the manufacturing and dealing in welding electrodes which is being the backbone of infrastructure industry. The Company is in the manufacturing activities since Incorporation and is pioneer in its field. The Company's growth continues improved and the past financial performance as well future projections are as under:

(Rs. in Lacs)

Particulars	2010-11 Actual	2011-12 Actual	2012-13 Projected	2013-14 Projected	2014-2015 Projected
Gross Turnover (Domestic)	6143.29	7128.73	8876.00	10660.00	13325.00
Gross Turnover (Export)	6.03	68.21	50.00	100.00	150.00
Other Income	14.55	82.50	26.00	35.00	55.00
Total Turnover and Receipts	6163.87	7279.44	8952.00	10795.00	13530.00
Profits before Interest, Dep. & Tax	325.56	467.12	837.12	1047.70	1257.24
Interest	22.70	24.58	7.50	5.00	7.50
Depreciation	69.21	87.47	95.00	100.00	110.00
Tax	76.20	115.86	220.38	282.81	341.92
Net Profit after Tax	157.45	239.21	514.46	659.89	797.82
Cash Profits generated	226.66	326.68	609.46	759.89	907.82
Paid up Share Capital	694.00	740.00	1000.00	1000.00	1000.00
Dividend (amount/%)	5%	5%	10%	10%	10%
EPS	2.49	3.34	5.14	6.60	7.98

II. Information about the appointee:

- (1) Mr. Madhusudan Jain, aged about 46 year, is a Mechanical Engineer and having more than 8 years of experience in the Company and he is the Whole Time Director of the Company since 2004 with his vision, your Company has come out with so many challenges in the domestic and international market and grown to this level. Mr. Madhusudan Jain is also one of the core promoters of the Company. His vision is to make your company within top 10 welding electrodes manufacturer and achieve turnover of Rs.100 Crores in the year 2013-14.
- (2) Mr. Madhusudan Jain was paid Rs.29,76,823/- during the year 2011-2012.
- (3) Not Applicable.
- (4) Mr. Madhusudan Jain is the most suitable and dedicated towards the growth of the Company. He is having capacity to accept the challenges of any nature and capable to achieve the visionary target to become one of the top 10 manufactures in the world for electrodes and achieve turnover of Rs.100 Crores.

- (5) It is proposed to pay him, Gross remuneration upto of Rs. 10,00,000 p.m. during his tenure in the manner of Salary of Rs.4,00,000 p.m. and allowances and other perks upto Rs. 6,00,000/- p.m. or 150% of the salary.
- (6) The Company is manufacturing Welding Electrodes and pioneer in the industry and listed with the BSE and continuing paying dividend to its members since last five year with the sound financial track records. There is no comparable data for matching the remuneration of the Whole Time Director remuneration in the industry in the Country
There has been phenomenal increase in the package of CEO/WTD all around the manufacturing industries in India and World; your industry is no more exception to it. In order to retain good talent, it is inevitable to increase the remuneration of Mr. Madhusudan Jain needs to be considered.
- (7) Mr. Madhusudan Jain is the core promoter and holding 60,500 Equity Shares consisting 0.82 % of the paid up share capital in the Company and is not drawing any other benefits except the remuneration as the Whole Time director and getting dividend together with the other members of the Company. Mr. Harsh Vora, Managing Director and promoter of the Company is a relative of Mr. Madhusudan Jain

III. Other information:

- (1) The Company is a profit making, dividend paying Company; however, with the tremendous increase in cost of raw material, stiff competition from the domestic and China the Company's profitability is lower, further that during the past three year due to worldwide financial recession including India, resulting the demand, margin and positive result and profitability has been affected.
- (2) To increase the profitability, the Company is trying hard to pass on the increased cost of raw material to its customer, develop export market, improve in the quality and develop some more ranges in the manufacturing line, which will give positive results in the years to come.
- (3) Your company is expecting to achieve the above said projected target in the next three years.

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 subject to the prior approval of Central Government, if required. The draft of the agreement to be entered into with the Whole-Time Director is available for inspection.

None of the Directors except Mr. Harsh Vora is deemed to be interested in this resolution.

BY ORDER OF THE BOARD

**RAJESH SEN
(COMPANY SECRETARY)**

PLACE: INDORE

DATE: 11th August, 2012

DIRECTORS' REPORT

To

The Members

Your directors have pleasure in presenting **Twenty Seventh Annual Report** on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2012.

OPERATIONAL PERFORMANCE

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

	Year ended 31.03.2012 (Rs. in lacs)	Year ended 31.03.2011 (Rs. in lacs)
Gross Sales and other Income	7279.44	6163.87
Profit before Interest & Depreciation	467.12	325.56
Interest and Financial Charges	24.58	22.70
Depreciation	87.47	69.21
Net Profit for the year	355.07	233.65
Provision for Income tax (Current)	115.86	76.20
Balance carried from previous year	677.70	611.59
Profit available for appropriation	916.91	768.16
Provision for dividend & Dividend distribution tax	43.00	40.46
Transfer to General Reserve	50.00	50.00
Balance carried to Balance sheet	823.91	677.70

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. J.C. Kapur 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 68.21 Lacs and the outgo was Rs. 127.06 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 : 11th August, 2012

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

FOR AND ON BEHALF OF THE BOARD

PLACE: INDORE
DATE : 11th August, 2012

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 increased by 16.97 % to Rs.72.79 Crores, as against 61.64 Crores in the last year. The Profit before Tax was Rs. 3.55 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. The above Certification is valid upto December 2012.

CORPORATE GOVERNANCE

I. Company's Philosophy on Code of Corporate Governance

The Company believes in the practice of good Corporate Governance acting as a good corporate citizen. The spirit of Corporate Governance has been prevailing in the Company. The company believes in the values of transparency, professionalism and accountability. The Company recognizes the acceptability of the Board and importance of the decisions relating to its customers, dealers, employers, shareholders etc.

The Company always strives to achieve performance at all levels by adhering to corporate governance practices.

II. Board of Directors

The strength of Board of Directors as on 31st March, 2012 was 9 out of which 3 were Executive Directors, 3 were Non Executive Directors and 3 were Non Executive Independent Directors.

Shareholding of Non-Executive Directors in the Company as on 31.03.2012:

Mr. Sushil Rawka	:	63,300
Mr. Jagdish C. Kapur	:	NIL
Mr. Nirmal Lunia	:	NIL
Mr. Vimal Lunia	:	NIL
Mr. Basant Singh Johari	:	3,300
Mr. Surjit Singh	:	NIL

The Board of Directors duly met six times during the Financial Year 2011-2012 and the gap between two meetings did not exceed four months. Dates on which the Board meetings were held are: 11.05.2011, 11.08.2011, 04.10.2011, 05.11.2011, 11.02.2012, and 25.02.2012. Attendance of directors during Board Meetings is shown in Table A. The Categories of directors are also mentioned in the same table.

III. Audit Committee

The Audit Committee of the Company comprised of Mr. Surjit Singh, Director of the Company as Chairman, Mr. Sushil Rawka and Mr. Jagdish C. Kapur, Directors of the Company as its members. The members have financial and accounting knowledge. The Committee members duly met Four times during the Financial Year 2011-2012 on 27.04.2011, 02.08.2011, 24.10.2011 and 25.01.2012.

The attendance of members at the meeting of Audit Committee held during the Financial Year under review is shown in Table A.

The Audit Committee has adequate powers and detailed terms of reference, to play effective role as required under the provisions of the Companies Act, 1956 and clause 49 of the Listing Agreement entered with Bombay Stock Exchange.

IV. Share Transfer and Investor Grievance Committee

Share Transfer and Investor Grievance Committee consist of Mr. Sushil Rawka, Director of the Company as Chairman, Mr. Jagdish C. Kapur & Mr. Madhusudan Jain, Directors of the Company, as its members. Thirty Eight Shareholders' Complaints were received during the Financial Year. All of them were resolved within 30 days of receipt and no complaints were pending at the end of the year.

The members duly met Four times during the Financial Year 2011-2012 on 20.04.2011, 18.07.2011, 17.10.2011 and 20.01.2012.

The attendance of members at the meetings held during the Financial Year under review is shown in TABLE A.

V. Remuneration Committee

The Remuneration Committee of the Company comprised of Mr. Jagdish C. Kapur, Director of the Company as Chairman, Mr. Surjit Singh and Mr. B.S.Johari, Directors of the Company as its members. The Committee members duly met two times during the Financial Year 2011-2012 on 04.08.2011 and 29.10.2011.

The attendance of members at the meeting of Remuneration Committee held during the Financial Year under review is shown in TABLE A.

The Remuneration Committee has adequate powers and detailed terms of reference, to play effective role as required under the provisions of the clause 49 of the Listing Agreement entered with Bombay Stock Exchange.

TABLE A

Sr. No	Name of Director	Status	Attendance of Board & Committee Meetings				Annual General Meeting	Outside Directorship & Committee Positions	
			No. of Board Meetings	No. of Audit committee Meeting Attended	No. of STCIGC Meetings Attended	No. of RC Meetings Attended		Attended during the Year	Director Ship
1	Mr. Harsh Vora	Executive	5	N.A.	N.A.	N.A.	Yes	3	Nil
2	Mr. Vasudeo S. Bhate	Executive	6	N.A.	N.A.	N.A.	No	Nil	Nil
3	Mr. Sushil Rawka	Non -Executive	6	4	4	N.A.	Yes	Nil	Nil
4	Mr. Nirmal Lunia	Non -Executive	Nil	N.A.	N.A.	N.A.	No	1	Nil
5	Mr. Jagdish C. Kapur	Non Executive & Independent	1	4	4	2	No	Nil	Nil
6	Mr. Vimal Lunia	Non -Executive	Nil	N.A.	N.A.	N.A.	No	2	Nil
7	Mr. Madhusudan Jain	Executive	6	N.A.	4	N.A.	Yes	4	Nil
8	Mr. Surjit Singh	Non -Executive & Independent	5	4	N.A.	2	No	Nil	Nil
9	Mr. Basant S. Johari	Non -Executive & Independent	5	N.A.	N.A.	2	No	Nil	Nil

Abbreviation: STCIGC = Share Transfer – cum – Investor Grievance Committee
RC = Remuneration Committee

VI. Remuneration of Directors

Break-up of Directors' remuneration

S. No.	Name of Directors	Salary Including Employers' Contribution to Provident fund	Perquisites	Sitting Fees
1	Mr. Harsh Vora (Executive Director)	52,22,485	64,400	NIL
2	Mr. Vasudeo S. Bhate (Executive Director)	14,25,600	62,283	NIL
3	Mr. Madhusudan Jain (Executive Director)	28,20,000	1,56,823	NIL
4	Mr. Sushil Rawka	NIL	NIL	30000
5	Mr. Jagdish C. Kapur	NIL	NIL	5000
6	Mr. Nirmal Lunia	NIL	NIL	NIL
7	Mr. B. S. Johari	NIL	NIL	25,000
8	Mr. Surjit Singh	NIL	NIL	25,000
9	Mr. Vimal Lunia	NIL	NIL	NIL
	Total	94,68,085	2,83,506	85,000

VII. General Body Meeting :

Financial Year	Date	Location of Meeting	Time	Whether any special resolution passed
2011-2012	26.03.2012	At Registered Office at Mumbai	10:00 A.M.	Yes
2011-2012	20.09.2011	At Registered Office at Mumbai	10:00 A.M.	Yes
2010-2011	30.09.2010	At Registered Office at Mumbai	10:00 A.M.	Yes
2009-2010	22.03.2010	At Registered Office at Mumbai	10:00 A.M.	Yes

VIII. Disclosures:

- Disclosures on materially significant related party transactions i.e. transaction of the Company of material nature, with its promoters, directors or the management, their subsidiary or relatives etc. that may have potential conflict with the interests of the Company at large: NIL
- Details of non-compliance by the company, penalties, and strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of regulatory authorities on capital markets and no penalties/stricture has been imposed against it during the last three years.

IX. Declaration of Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code of Conduct has already been posted on the website of the Company. All Board Members and Senior Members have affirmed compliance with the Code of Conduct. A declaration signed by the Chief Executive Officer is given below:

"I hereby confirm that the Company has obtained from all the members of the Board and Senior Management,

affirmation that they have complied with the Code of Conduct for Directors and Senior Management in respect of the Financial Year 2011-2012”

Harsh Vora
Managing Director & CEO
11th August, 2012

X. Corporate Governance Compliance Certificate:

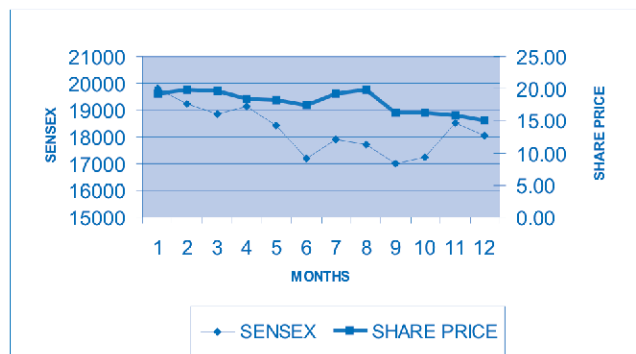
The Certificate regarding compliance of condition of clause 49 of the Listing Agreement received from the Auditors of the Company is annexed hereto.

XI. Shareholders' information

- a. **Regd. Office:** A-204, Kailash Esplanade, Opp. Shreyas Cinema, Ghatkopar (W), Mumbai-400086
Annual General Meeting: Date and Time: 29th September, 2012 at 10.00 A.M.
Venue: At A-505, Kailash Esplanade, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W), Mumbai- 400086
- b. **Financial Calendar:** (Tentative) Financial reporting for:
 Quarter ending June 30, 2012 : On or before August 15, 2012
 Half year ending September 30, 2012 : On or before November 15, 2012
 Quarter ending December 31, 2012 : On or before February 15, 2013
 Year ending March 31, 2013 : On or before May 15, 2013
 Annual General Meeting for year 2013 : End of September, 2013
 Date of Book Closure : In the month of September, 2013
- c. **List of Stock Exchanges:** Presently the shares of the Company are listed at Bombay Stock Exchange, Mumbai Scrip Code: 517514
- d. **Market Price Data:** The Stock Market data for the period from April, 2011 to March, 2012 are as below: -
 [As taken from the website of Bombay Stock Exchange Ltd., Mumbai (BSE)]

Period	High (Rs)	Low (Rs)	Period	High (Rs)	Low (Rs)
April, 2011	19.30	16.40	October, 2011	19.15	15.70
May, 2011	19.75	17.25	November, 2011	19.90	15.35
June, 2011	19.65	17.10	December, 2011	16.35	12.60
July, 2011	18.50	17.05	January, 2012	16.27	13.90
August, 2011	18.20	14.85	February, 2012	15.91	14.00
September, 2011	17.40	15.15	March, 2012	15.00	12.65

e. Performance of D & H India Limited in comparison to BSE Sensex



f. Distribution of Shareholding as on March 31, 2012

Nominal value of Equity share held (Rs.)	No. of Share Holders	Share Amount in (Rs.)	% of share holding
Up to 1000	3539	3281740	4.43
1001 to 2000	1087	2123090	2.87
2001 to 3000	370	1072790	1.45
3001 to 4000	131	504650	0.68
4001 to 5000	332	1648290	2.23
5001 to 10000	368	3145270	4.25
10001 to 20000	201	3150690	4.26
20001 to 30000	61	1540740	2.08
30001 to 40000	36	1248060	1.69
40001 to 50000	28	1326280	1.79
50001 to 100000	30	2190060	2.96
100000 above	47	52768340	71.31
TOTAL	6230	7,40,00,000	100.00

g. Categories of shareholding as on 31 March 2012 :

Category	No. of Share held	% of share holding
Promoters & Person acting in concert	37,73,321	50.99
Financial Institution, Mutual Fund and Banks	0.00	0.00
Private Corporate Bodies	10,03,007	13.55
Non Resident / OCBs	77,513	0.97
Indian Public	25,46,15	34.49
TOTAL	74,00,000	100.00

h. Dematerialization of shares:

Trading in shares of D & H India Limited is permitted, only in dematerialized form, with effect from April, 2001 as per notification issued by the Securities and Exchange Board of India (SEBI)

At present the Company's share are available for dematerialization with both NSDL and CDSL. As on 31st March, 2012, an aggregate of 67,49,175 Equity Shares, which amounts to 91.20 % of total Equity Share Capital of the Company exist under the Electronic, form.

The International Securities Identification Number (ISIN) allotted to the Company is **INE589D01018**.

i. Registrar and Share Transfer Agents (Physical & Electronic Connectivity):

M/s. Ankit Consultancy Pvt. Ltd. is the Company's Registrar and Share Transfer Agent having its office at the following address:

Plot No. 60, Electronic Complex
Pardeshipura, Indore (M.P.) – 452 010
Tel.: 0731-3198601, 3198602
Fax no. : 0731-4065798

Email: ankit_4321@yahoo.com

Share Transfer Forms can be lodged with M/s Ankit Consultancy Pvt. Ltd. at its address mentioned above.

j. Address for Correspondence:

Head Office: Plot A, Sector A, Industrial Area,
Sanwer Road, Indore 452 015 (M.P.)

k. Pursuant to the provision of Section 205A of the Companies Act, 1956, dividend which remain unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account, are required to be transferred to the Investor Education and Protection Fund of the Central Government.

Section 205C of the Act declares that no claims shall lie against the fund of the Company in respect of individual amounts, which were unclaimed and unpaid for seven years as aforesaid and transferred to the fund.

Shareholders are therefore, advised that those who have not encashed their dividend warrant(s) so far for the year 2006-2007, 2007-2008, 2008-2009, 2009-2010 and 2010-2011 may send their dividend warrants to the Company at its Work and administrative office situated at Sanwer Road (M.P), for the issue of Demand draft(s) in lieu thereof before the respective amounts become due for transfer to the fund.

CEO/CFO CERTIFICATION AS PER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Board of Directors,
D & H India Limited,
Mumbai

11th August, 2012

CERTIFICATE

- a. We have reviewed financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - i) significant changes in internal control during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes of the financial statements; and
 - iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Harsh Vora
Managing Director /CEO

Sanat Jain
G.M. Finance/CFO

Cc: Audit Committee D & H India Limited

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
D & H INDIA LIMITED

We have reviewed the compliance of conditions of Corporate Governance by D & H India Ltd. for the Financial Year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange. We have conducted our review on the basis of the relevant records and documents maintained by the Company for the year ended 31st March, 2012 and furnished to us for the purpose of the review and the information and explanation given to us by the Company during the course of such review.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our review was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and the best of our information and according to the explanation given to us, and the representation made by the Directors and management.

We hereby certify that the Company has complied with the condition of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

As required by the Guidance note on certification of Corporate Governance issued by the Institute of Chartered Accountants of India, we state that no investor grievance is pending for the period exceeding one month as on 31st March, 2012 against the Company as per the records maintained by the Share Transfer and Investor Grievance Committee of the Company.

We further state that such Certification is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For and on behalf of ABN & Co.
Chartered Accountants

PLACE : INDORE
DATE : 11th August, 2012

B.M. Bhandari
Partner

AUDITORS' REPORT

To,
The Members,
D & H India Limited,

We have audited the attached Balance Sheet of **D & H INDIA LIMITED** as at 31st March 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed there to. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we give in the annexure, a statement on the matters specified in the paragraph 4 & 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account, as required by law have been kept by the Company, so far as appears from our examination of the books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement have been prepared in compliance with the Accounting standards referred to in sub-section 3C of section 211 of the Companies Act, 1956, to the extent applicable and mandatory in nature.
 - (e) In our opinion and on the basis of information obtained and taken on record by the Board of Directors, we report that none of the directors of the company is disqualified as on 31.03.2012 from being appointed as the director of the company in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012.
 - (ii) In the case of the Profit and Loss Account, of the PROFIT for the year ended on that date.
 - (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of **ABN & Co.**
Chartered Accountants

B.M. BHANDARI
Partner
(Mem.No.071232)
Firm Reg.No.004447C

Place: Indore
Date: 11th August,2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 1 of our report of even date on the accounts for the year ended 31st March 2012 of **D & H India Limited**

- I
 - a. The proper records showing full particulars including quantitative details and situation of the fixed assets are being maintained by the company.
 - b. All the fixed assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. As per information and explanations given to us, no material discrepancies were noticed.
 - c. In our opinion and according to the information and explanations given to us, any substantial part of fixed assets has not been disposed off by the company during the year and the going concern status of the company is not affected.
- II
 - a. The inventory of the company has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable & adequate, in relation to the size of the company & nature of its business.
 - c. On the basis of our examination of records of inventory, in our opinion, the company has maintained proper record of inventory and as explained to us, the discrepancies noticed on physical verification of inventory, as compared to book records were not material and have been properly dealt with in the books of account.
- III
 - a. The company has not granted any loan secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence clause (a) to (d) is not applicable to the company.
 - e. The company has taken unsecured loan from two parties covered in the register maintained under section 301 and , the maximum amount involved during the year was Rs.79,84,796/- and year-end balance of loan was Rs. 62,327/-.
 - f. The rate of interest and other terms and conditions of unsecured loans taken by the company, are prima-facie not prejudicial to the interest of the company.
 - g. The unsecured loan taken from parties. has been squared up during the year except interest portion.
- IV
 - In our opinion and according to information & explanations given to us, there is adequate internal control system commensurate with the size of the company & nature of its business with regard to the purchase of inventory & fixed assets & for the sale of goods. Further on the basis of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have been informed of any instances of major weaknesses in the internal control system.
- V
 - a. Based on audit procedures applied by us, to the best of our knowledge & belief and according to the information & explanations given to us. We are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b. In our opinion and according to information & explanations given to us, transactions made in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time where such market prices are available.
- VI
 - In our opinion and according to the information & explanations given to us, the company has not accepted deposit from public, within the meaning of provisions of section 58A & 58AA of Companies Act, 1956 & Rules framed there under.
- VII
 - In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- VIII
 - As informed to us and in our opinion the maintenance of cost records has not been prescribed by the Central Government U/s 209(1)(d) of the Companies Act, 1956 for any product of the company.
- IX
 - a. According to the records of the company examined by us and the information & explanations given to us, in our opinion the company is, generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investors Education & Protection Fund, Employees State Insurance, Income Tax, Sales Tax, service tax Excise Duty, Wealth Tax, Custom Duty, cess and other statutory dues applicable to it. No undisputed amount payable as at 31.03.2012 for a period of more than 6 month from the date they became payable.

- b. According to records of the company examined by us and the information & explanations given to us, there are following statutory dues which have not been deposited on account of dispute.

Nature of Statute	Nature of the dues	Period to which the amount relates	Amount in Rs.	Forum where the dispute is pending
CST	Regular assessment	2006-07 2008-09	577794 252851	D Comm. of Appeal Indore
Entry Tax	Regular assessment	2004-05 2005-06 2006-07 2008-09	111551 111968 258747 38272	DC. Comm. App. DC. Comm. App. DC. Comm. App. Add Comm. App.
Entry Tax Penalty	Regular assessment	2004-05 2005-06 2006-07	844260 2515867 1404000	Asst Comm. App. Asst Comm. App. DC. Comm. App.
CST Penalty	Regular assessment	2005-06 2006-07	229245 1452282	A C Appeal Revision

- X The Company does not have accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and immediately preceding financial year.
- XI Based on our audit procedure & on the basis of information & explanations given by the management, we are of the opinion that the company has not defaulted in payment of dues to the financial institution or bank during the year. The company does not have any borrowing by way of debentures.
- XII The company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- XIII In our opinion and according to the information & explanations given to us, the company is not a chit fund and nidhi / mutual benefit fund / society. Therefore, provisions of this clause is not applicable to the company.
- XIV Based on our examination of records and the information & explanations given to us, the company has maintained proper records of the transactions & contracts in respect of dealing & trading in shares, securities, debentures and other investments and timely entries have been made. All the investments have been held by the company in its own name.
- XV According to the information & explanations given to us, the company has not given any guarantee for loans taken by others from the banks and financial institutions during the year.
- XVI According to the records of the company, examined by us and the information & explanations given to us, the company has raised new term loans during the year. The term loan outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- XVII According to the information & explanations given to us and on the basis of an overall examination of balance sheet of the company, in our opinion no funds raised by company on short term basis that have been used for long term investments.
- XVIII During the year company has converted 4,60,000 convertible warrants into equal number of fully paid equity shares of Rs.10/- each at a premium of Rs.12/- per share on preferential basis to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- XIX As explained to us, during the period covered by our audit, the company has not issued any debentures.
- XX The company has not raised any money through public issue during the year.
- XXI According to the information & explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For and on behalf of **ABN & Co.**
Chartered Accountants

B.M. BHANDARI
Partner
(Mem.No.071232)

Place: Indore
Date: 11th August, 2012

BALANCE SHEET
AS AT 31ST MARCH, 2012

Particulars	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	3	7,40,00,000	6,94,00,000
(b) Reserves and Surplus	4	16,96,75,538	12,87,34,463
(c) Money received against share warrants	3.5	—	1,68,30,000
(2) Share application money pending allotment		—	—
(3) Non-Current Liabilities			
(a) Long-term borrowings	5	68,32,116	1,21,94,589
(b) Deferred tax liabilities (Net)	6	1,24,64,229	1,02,78,305
(4) Current Liabilities			
(a) Short-term borrowings	7	95,62,531	-
(b) Trade payables	29	7,27,06,880	9,04,36,213
(c) Other current liabilities	8	2,62,93,580	2,61,78,264
(d) Short-term provisions	9	2,07,33,581	1,31,19,002
Total		<u>39,22,68,455</u>	<u>36,71,70,836</u>
II. Assets			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	14,93,08,956	13,30,04,405
(b) Non-current investments	11	1,45,62,199	1,44,29,002
(c) Other non-current assets	12	31,50,311	31,91,594
(2) Current assets			
(a) Inventories	13	9,13,00,230	8,98,63,051
(b) Trade receivables	14	11,33,33,792	9,62,01,659
(c) Cash and cash equivalents	15	78,77,302	1,34,39,740
(d) Short-term loans and advances	16	1,27,35,665	1,70,41,385
Total		<u>39,22,68,455</u>	<u>36,71,70,836</u>

The Notes 1-36 are an integral part of these financial statements.

As per our report of even date attached

For and on behalf of M/s ABN & CO.

Chartered Accountant

(B.M. Bhandari)

Partner

M.No. 071232

V.S.Bhate
Technical Director

Rajesh Sen
Company Secretary

For and on behalf of the board

Harsh Kumar Vora
Managing Director

Sushil Rawka
Director

Place: Indore
Dated: 11th August 2012

STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2012

	Particulars	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
I.	Revenue from operations(Gross)	17	71,96,94,292	61,52,80,528
	Less : Excise Duty		6,84,43,945	5,70,42,366
	Revenue from operations(Net)		65,12,50,347	55,82,38,162
II.	Other Income	21	82,49,680	11,05,972
III.	Total Revenue (I + II)		65,95,00,027	55,93,44,134
IV.	<u>Expenses:</u>			
	Cost of materials consumed	18	46,56,27,732	39,90,65,855
	Purchase of Stock-in-Trade		34,02,504	11,13,617
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	(74,64,694)	(86,93,420)
	Employee benefit expense	22	5,94,96,191	4,96,17,951
	Financial costs	20	24,58,433	22,69,896
	Depreciation and amortization expense		87,46,521	69,20,928
	Other expenses	23	9,15,64,393	8,56,84,008
	Total Expenses		62,38,31,080	53,59,78,835
V.	Profit before exceptional and extraordinary items and tax (III - IV)		3,56,68,947	2,33,65,299
VI.	Prior Period Adjustments		1,61,715	86,035
VII.	Profit before extraordinary items and tax (V - VI)		3,55,07,232	2,32,79,264
VIII.	Profit before tax		3,55,07,232	2,32,79,264
IX.	Tax expense:			
	(1) Current tax		94,00,000	46,02,000
	(2) Deferred tax		21,85,924	30,20,303
X.	Profit/(Loss) from the period from continuing operations (VIII-IX)		2,39,21,308	1,56,56,961
XV.	Profit/(Loss) for the period (XI + XIV)		2,39,21,308	1,56,56,961
XVI.	Earning per equity share:	24		
	(1) Basic		3.34	2.49
	(2) Diluted		3.23	1.58

The Notes 1-36 are an integral part of these financial statements.

As per our report of even date attached

For and on behalf of M/s ABN & CO.

Chartered Accountant

(B.M. Bhandari)

Partner

M.No. 071232

Place: Indore

Dated: 11th August 2012

V.S.Bhate
Technical Director

Rajesh Sen
Company Secretary

For and on behalf of the board

Harsh Kumar Vora
Managing Director

Sushil Rawka
Director

CASH FLOW STATEMENT

31.03.2012 31.03.2011

A.	Cash flow from Operating Activities		
	Net profit before tax & Extraordinary items	3,56,68,947	2,33,65,298
	Adjustment for : Depreciation	87,46,521	69,20,928
	Deferred Revenue Expenditure	-	-
	Preliminary Expenditure	-	-
	Loss/(Profit) on sale of fixed assets	30,029	2,59,689
	Other Income	(2,43,486)	(14,34,456)
	Interest Paid / Bank Charges	24,58,433	22,69,896
	Operating Profit before working Capital Changes Adjustment for:	4,66,60,444	3,13,81,355
	Trade & other receivable	(1,71,32,133)	82,79,488
	Inventories	(14,37,179)	(1,91,12,330)
	Trade Payables & Other Provisions	(1,02,53,347)	2,33,08,551
	Cash generated from Operations	1,78,37,785	4,38,57,064
	Direct Tax paid	(46,02,000)	(76,75,000)
	Cash flow before extraordinary items	1,32,35,785	3,61,82,064
	Extraordinary items	13,38,285	(86,035)
	Net Cash from Operating Activities	1,45,74,070	3,60,96,029
B.	Cash Flow from Investing Activities		
	Purchase of fixed assets	(2,52,96,746)	(5,61,13,316)
	Loans & Advances	(4,50,997)	1,15,61,270
	Sale of fixed Assets	2,15,645	2,32,908
	Interest received / Misc Receipts	2,32,154	12,45,283
	Purchase/ Sale of Non Current Investments	(1,33,197)	(96,74,603)
	Dividend Income	11,332	1,89,173
	Net cash used in Investing Activities	(2,54,21,809)	(5,25,59,285)
C.	Cash Flow from Financing Activities		
	Proceeds from issue of Share Capital	75,90,000	1,64,51,600
	Proceeds from long term & Short term borrowings	42,00,058	1,40,34,990
	Interest Paid	(24,58,433)	(22,69,896)
	Dividend Paid (Including Dividend Distribution Tax)	(40,46,324)	(37,07,925)
	Net cash used in Financing Activities	52,85,301	2,45,08,769
	Net increase in Cash and Cash equivalent (A + B + C)	(55,62,438)	80,45,513
	Cash & Cash Equivalents As at 01.04.2011	1,34,39,740	53,94,227
	Cash & Cash Equivalents As at 31.03.2012	78,77,302	1,34,39,740

For and on behalf of M/s ABN & CO.
Chartered Accountant

(B.M. Bhandari)
Partner
M.No. 071232
Place: Indore
Dated: 11th August 2012

For and on behalf of the board

V.S.Bhate
Technical Director

Harsh Kumar Vora
Managing Director

Rajesh sen
Company Secretary

Sushil Rawka
Director

NOTES TO THE FINANCIAL STATEMENTS :-

1) General information

D & H India Limited is engaged in Manufacturing business primarily dealing in Welding Consumables, CO2 Wire, M Core Wire, Flux Powder, Flux cored Wire & other similar activities. The company has manufacturing plants in India and sells primarily in India. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on the Bombay Stock Exchange (BSE).

2) Summary Of Significant Accounting Policies :-

2.1) Basis of Preparation

These financial statements have been prepared in accordance with the generally accepted Accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended] and the other relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

2.2) Tangible Assets

All fixed assets are stated at historical cost, net of CENVAT if availed, less accumulated depreciation. Historical cost comprise the purchase price and all direct costs attributable to bring the assets to its working condition for intended use.

2.3) Depreciation

Depreciation on all fixed assets is provided on the straight line method at the rate specified in schedule XIV of the Companies Act, 1956. Depreciation is not been charged on fixed assets sold during the year.

2.4) Borrowing Cost:

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

2.5) Inventories

Inventories of Raw Material, Stores & Spares, Work-in-Progress, Finished Goods and Trading stocks are valued at lower of cost and net realizable value. The cost of work in progress & finished goods is determined on absorption cost basis. Raw material, Stores & Spares and trading stocks is valued on FIFO method.

2.6) Investment

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually

2.7) Impairment of Tangible Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit & Loss account in the year in which an assets is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

2.8) Revenue Recognition

Revenue on sale of goods is recognized on passes of title to the customers, Sales (gross) are inclusive of vat/Central sales tax, excise duty, and adjustment for rate difference.

2.9) Provision, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events & it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to the accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

2.10) Cash Flow Statement

Cash flow are reported using indirect method. The cash flow from regular revenue generating, financing and investing activities of the company are segregated.

2.11) Employees Benefits

Short term employee benefits have been charged to Profit & Loss Account on accrual basis. Post employment benefits such as Gratuity liability is funded as per group gratuity scheme of Life Insurance of Corporation of India.

2.12) Taxation

Taxation comprise current Income tax, deferred tax, wealth tax. Current Income Tax provision has been determined on the basis of relief, deductions available under the Income Tax Act. Deferred Tax is recognized for all timing differences subject to the consideration of prudence, applying the tax rates that have been substantially enacted by the Balance Sheet date. Wealth Tax is calculated on the basis of carrying value of wealth liable to tax after deducting basic exemption available.

2.13) Foreign Currency Transactions

- (i) Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction.
- (ii) Monetary items denominated in foreign currencies, if any, at the end of the year are restated at year end rates.
- (iii) Non monetary foreign currency items are carried at cost.
- (iv) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss Account, except in cases where they relate to acquisition of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

2.14) Other Income

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend : Dividend income is recognized when the right to receive dividend is established.

2.15) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

2.16) Government Grants and subsidies

Grants & Subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related cost.

NOTES TO THE FINANCIAL STATEMENT

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
3 Share Capital		
Equity Share Capital :		
Authorised Share capital 10000000 Equity Shares of Rs.10/- Each	10,00,00,000	10,00,00,000
Issued, subscribed & fully paid share capital 7400000 Equity Shares of Rs.10/- each (Fully Paid up) (Previous Yr.69,40,000 equity Shares of Rs.10/- each)	7,40,00,000	6,94,00,000
Total	<u>7,40,00,000</u>	<u>6,94,00,000</u>
3.1 Reconciliation of Number of Shares		
Equity Shares :	No. of Shares	No. of Shares
Balance as at the beginning of the year	6,940,000	6,359,600
Add : Warrants Converted During the period	460,000	580,400
Balance As at the end of the year	<u>7,400,000</u>	<u>6,940,000</u>
3.2 Terms/Rights attached to equity Shares		
Equity Shares: The company has one class of equity shares having par value of Rs.10 per share. Each share holder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
3.3 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company		
Equity Shares :	No. of Shares	No. of Shares
1. Arihant Financial Services Ltd.	786,335 (10.63%)	NIL NIL
2. Good Creation Investment & Finance Ltd.	806,000 (10.89%)	806,000 (11.61%)
3. Harsh Vora (HUF)	673,600 (9.1%)	213,600 (3.08%)
4. Suchita Kakrecha	537,085 (7.26%)	350,400 (5.05%)
5. Harsh Vora	361,745 (4.89%)	361,745 (5.21%)
6. Ennar Star Trade limited	NIL NIL	786,335 (11.33%)
3.4 Nil Equity Shares were issued in the last 5 years under the Employee Stock Options Plan as consideration for services rendered by employees.		
3.5 Convertible Warrants : The Company has issued and allotted 36,40,400 (Thirty Six Lacs Forty Thousand Four Hundred) Convertible Warrants on 5th April, 2010 at a price of Rs.22.00 each to the promoter and non-promoter bodies corporate on preferential basis. The Holders are entitled to exercise their option to convert the same into fully paid up Equity shares of Rs.10.00 each at a premium of Rs. 12.00 per share at any time within a period of 18 months from the date of allotment. The application money i.e Rs. 5.50 per warrant, in respect of 23,90,400 & 12,50,000 convertible warrants have been received before 31.03.2010 & on 05.04.2010 respectively. The Company has converted 5,80,400 & 4,60,000 Convertible Warrants of Rs.22.00 (Rupees Twenty Two Only), into equal number of fully paid Equity Shares of Rs. 10.00 (Rupees Ten only) each at a premium of Rs.12.00 (Rupees Twelve only) each on 28th March,2011 & 4th October,2011 Respectively.		

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
4 Reserves and Surplus		
Capital Reserves	<u>1,58,00,000</u>	—
Balance as at the beginning of the year	—	—
Add : capital Subsidy	15,00,000	—
Add : Convertible warrants forfeited	1,43,00,000	—
Balance as at the end of the year	<u>1,58,00,000</u>	—
Securities Premium Reserve	<u>2,14,84,800</u>	<u>1,59,64,800</u>
Balance as at the beginning of the year	1,59,64,800	90,00,000
Add : Premium on Warrant converted in shares	55,20,000	69,64,800
Balance as at the end of the year	<u>2,14,84,800</u>	<u>1,59,64,800</u>
General Reserve	<u>5,00,00,000</u>	<u>4,50,00,000</u>
Balance as at the beginning of the year	4,50,00,000	4,00,00,000
Add : Amount Transferred from Surplus Balance in Statement of profit & Loss	50,00,000	50,00,000
Balance as at the end of the year	<u>5,00,00,000</u>	<u>4,50,00,000</u>
Surplus in the statement of Profit and loss	<u>8,23,90,738</u>	<u>6,77,69,663</u>
Balance as per last financial statements	6,77,69,663	6,11,59,027
Profit for the Year	2,39,21,308	1,56,56,960
Less : Appropriations		
Proposed dividend on Equity shares for the year	37,00,000	34,70,000
Dividend distribution Tax on proposed dividend on Equity shares	6,00,233	5,76,324
Transfer to General Reserve	50,00,000	50,00,000
Balance as at the end of the year	<u>8,23,90,738</u>	<u>6,77,69,663</u>
Total	<u>16,96,75,538</u>	<u>12,87,34,463</u>
4.1 Capital Reserves Includes Capital subsidy received from DIC as per terms & agreement for the period from 17.03.2011 to 16.03.2016.		
4.2 During the year company forfeited 26,00,000 convertible warrant as per the terms & condition of agreement & Board resolution. forfeited warrants issued at 5.5/-per warrant application money and balance amount not paid by the warrant holders so the amount forfeited & transferred to the capital reserve account.		
5 Long-term borrowings		
Secured		
Term Loans from Banks :		
a) HDFC Bank Ltd. (Term Loan)	55,83,935	1,21,94,589
b) HDFC Bank Ltd. (Car Loan)	6,78,109	—
c) S.B. of India (Car Loan)	5,70,072	—
Total	<u>68,32,116</u>	<u>1,21,94,589</u>
5.1 Nature of Security and terms of repayment for secured borrowings		
Nature of Security		Terms of Repayment
a) Term Loan From HDFC Bank amounting Rs. 200/- Lakh is secured by way of Hypothecation by First and exclusive charges of Plant & Machinery & Coplateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.		Repayable in 38 Month installment of Rs. 650049/-@13% starting from 07/12/2010

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
b) Two Vehicle Loans from HDFC Bank amounting to Rs. 16.25 Lakh is secured against respective Vehicles. & Personal Guarantee of Mr. Harsh Vora.		Repayable in 24 Month & 36 Month installment of Rs. 34126/-@12% & 29570/- 11.25% starting from 20/09/11 & 08.11.11 respectively
c) Two Vehicle Loan from State Bank Of India amounting Rs. 10 Lakh is secured against respective Vehicles. & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.		Repayable in 36 Month installment of Rs. 33000/-@11.25% starting from 04/11/2011
6 Deferred Tax Liability (Net)		
Deferred Tax Liability on timing difference on account of difference between written down value of fixed assets under the companies Act, 1956 and the Income Tax Act, 1961.	1,36,38,536	1,12,24,231
Deferred Tax Assets on Other timing Differences U/s 43B of I.T. Act,1961	11,74,307	9,45,926
Total	<u>1,24,64,229</u>	<u>1,02,78,305</u>
6.1	Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.	
7 Short-terms borrowing from Banks Secured		
Loans repayable on demand from HDFC Banks(CC A/c)	95,62,531	—
Total	<u>95,62,531</u>	<u>—</u>
7.1	Working capital limit are secured by hypothecation of present and future stock of raw materials, stock-inprocess, finished goods, stores and spares (not relating to plant and machinery), book debts. & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.	
8 Other current liabilities		
Current maturities of long term debt	75,68,484	58,88,000
Deposit from Dealers	31,33,837	23,17,911
Sundry Staff Payable	8,51,118	9,09,757
Interest Accrued but not due on borrowings	1,09,608	—
Cheque In Transit	61,57,983	1,30,74,847
Other payables*	84,72,550	39,87,749
Total	<u>2,62,93,580</u>	<u>2,61,78,264</u>
8.1	Other Payables Includes Statutory Liabilities ,Advance received from customers & Interest Payable to the related parties.	
9 Short-term provisions		
Provision for employee benefits	15,97,323	13,19,795
Provision for Income Tax (Net of Advance Tax)	36,00,000	-
Proposed Dividend	37,00,000	34,70,000
Tax on Dividend	6,00,233	5,76,324
Provision for Wealth Tax	45,811	46,787
Others*	1,11,90,214	77,06,096
Total	<u>2,07,33,581</u>	<u>1,31,19,002</u>
9.1	Other Short term provisions includes the diff. of excise duty on opening & closing stock of finished goods.(also refer note no.30)	

10. FIXED ASSETS

Particulars	Gross Block			As on 31.03.12 Rupees	Up To 31.03.11 Rupees	Depreciation		For The Year Rupees	Net Block		
	As on 01.04.11 Rupees	Addition Rupees	Adjustment Rupees			Adjustment Rupees	Rate %		Up To 31.03.12 Rupees	As on 31.03.12 Rupees	As on 31.03.11 Rupees
Lease Hold Land	89750	0		89750	0	0	0	0	89750	89750	
Free Hold Land	4853296	0		4853296	0	0	0	0	4853296	4853296	
Office Building	2504370	0		2504370	225833	1.63	40821	266654	2237716	2278537	
Factory Building	51713725	6272701		57986426	8999400	3.34	1827513	10826913	47159513	42714325	
Plant & Machinery	92889800	12240045		105129845	26880839	4.75	4642660	31523499	73606346	66008961	
Electric Installation	7860545	2239779		10100324	1439828	4.75	425377	1865205	8235119	6420717	
Laboratory Equip.	812218	8241		820459	374927	4.75	38793	413720	406739	437291	
Vehicles	9628831	3329546	597577	12360800	2816207	351903	9.5	937046	3401350	8959450	
Furniture & Fixtures	3019202	793396		3812598	1751098	6.33	195424	1946522	1866076	1268104	
Office Equipment	2568561	175554		2744115	850266	4.75	125980	976246	1767869	1718295	
Computers	3068532	237483		3306015	2666026	16.21	512907	3178933	127082	402506	
Total	179008829	25296745	597577	203707997	46004424	351903		8746521	54399042	149308956	133004406
Previous Year	124034200	56113316	1138687	179008829	39535338	451842		6920928	46004424	133004405	84498862

10.1 Addition includes foreign exchange fluctuation gain of Rs.52706/-(Pr. Yr. NIL).

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
11 Non-current investments					
Trade Investments			Aggregate amount of quoted investments	<u>7,50,000</u>	<u>49,65,000</u>
Investment in Unquoted Equity instrument	42,10,000	42,10,000	Market Value of quoted investments	7,54,172	53,02,696
Other Investment			c Unquoted Shares		
Investments in Quoted Equity instruments	16,22,199	17,54,002	Commonwealth Mining Pvt.Ltd. (1000 Shares)	10,000	10,000
Investments in Mutual funds	7,50,000	49,65,000	V&H Fabricators Pvt. Ltd. (140000 Shares)	42,00,000	42,00,000
Other Non current investment :			Aggregate amount of unquoted investments	<u>42,10,000</u>	<u>42,10,000</u>
Share Application Money	79,80,000	35,00,000			
Total	<u>1,45,62,199</u>	<u>1,44,29,002</u>	d Share Application Money includes investment made in Related parties.		
a Quoted Shares			12 Other non-current assets		
l Tata Consultancy Services Face Value Rs. 1.00(616 Shares)	1,30,900	1,30,900	Security Deposits	31,50,311	31,91,594
Hindalco Industries (200 Shares)	8,810	8,810	Total	<u>31,50,311</u>	<u>31,91,594</u>
National Aluminium (400 Shares)	14,689	14,689	13 Inventories		
J.K.Agri Genetics Ltd. (C.Y. 3347 & P.Y. 3137 Shares)	14,67,800	15,99,603	Raw materials	4,36,28,190	5,06,84,875
Aggregate amount of quoted investments	<u>16,22,199</u>	<u>17,54,002</u>	Work in progress	99,58,944	79,85,159
Market Value of quoted investments	17,44,824	23,34,874	Finished goods	3,14,67,658	2,84,65,406
b Units of Mutual Fund			Stock in trade	35,66,274	10,77,617
SBI One India (10000 Units)	1,00,000	1,00,000	Stores and spares	26,79,164	16,49,994
IDFC Premier Equity Fund (C.Y. 4269.363 & P.Y.60876 Units)	1,00,000	14,75,000	Total	<u>9,13,00,230</u>	<u>8,98,63,051</u>
HSBC Brazil fund dividend (C.Y. 55000 Units)	5,50,000	—	14 Trade receivables		
Reliance Banking (P.Y. 27331 Units)	—	24,40,000	Unsecured & considered good :		
Reliance Pharma Fund (P.Y. 21949 Units)	—	9,50,000	Exceeding Six month	1,60,86,074	94,72,023
			Others	9,72,47,718	8,67,29,636
			Total	<u>11,33,33,792</u>	<u>9,62,01,659</u>
			14.1 Trade receivables includes amount Rs. 10,23,546/-(Pr. Year 7,59,918/-) due from the Related party.		

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
15 Cash and cash equivalents					
Balances with banks in india	34,78,919	1,11,98,259	Stock In Trade	10,77,617	14,19,826
Cheques on Hand	17,89,276	12,37,737	Total	3,75,28,182	2,99,12,379
Cash on hand	1,70,723	3,90,561	Increase In Inventories	(74,64,694)	(86,93,420)
FDR with Banks	24,38,384	6,13,183	20 Finance Costs		
Total	78,77,302	1,34,39,740	Interest expenses	20,76,502	15,14,397
15.1 Fixed deposits with banks include deposits of Rs. 831000/- (Previous Year Rs. 581000/-) with maturity of more than 12 months.			Other borrowing costs	3,81,931	7,55,499
16 Short term loans and advances			Total	24,58,433	22,69,896
Unsecured Considered good			20.1 Interest expenses is net of Interest Subsidy received from DIC Dhar for Ghatabillod Unit amounting to Rs.984308/-		
Loans & Advances to related parties	2,10,572	4,29,827	21 Other Income		
Other Loans and advances *	67,21,630	75,49,331	Interest income (Other)	2,32,154	4,23,717
Balance with Custom, Excise, VAT & Income Tax Authorities	55,22,787	87,25,857	Dividend income (Non Current Investment)	11,332	1,89,173
Prepaid Expenses	2,80,676	3,36,370	Net gain on sale of investments (Long Term Investment)	—	3,07,547
Total	1,27,35,665	1,70,41,385	Exchange Diff. in Foreign Currency Transaction	2,06,194	—
16.1 *Other Loans and advances includes Advance to sundry creditors.			Other non-operating income	78,00,000	1,85,535
17 Revenue from Operations			Total	82,49,680	11,05,972
Revenue from -			21.1 Other non operating income includes Rs. 78 Lacs benefits from keyman insurance policy.		
Sale of products	71,94,05,868	61,49,31,293	22 Employee Benefits Expense		
Other operating revenues	2,88,424	3,49,235	Salaries and wages	3,95,64,095	3,26,84,910
Less: Excise Duty	6,84,43,945	5,70,42,366	Contribution to provident and other funds	34,10,964	30,61,956
Total	65,12,50,347	55,82,38,162	Allowances	1,50,09,844	1,27,04,542
17.1 Particulars Of Sale Of Products			Staff welfare expenses	15,11,288	11,66,543
Electrodes , Flux, Wire etc.	71,85,46,437	61,43,07,902	Total	5,94,96,191	4,96,17,951
Wires (Trading)	5,25,323	3,55,065	22.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below		
Welding Equipments (Trading)	3,34,108	2,68,326	a) Short Term Employee Benefits		
Total	71,94,05,868	61,49,31,293	All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.		
18 Cost of Material Consumed			b) Long Term Benefits		
Imported	29,36,425	14,19,849	Defined Contribution Plans :		
% of Consumption	0.63	0.3	The Employee State Insurance Scheme and Contributory Provident Fund administered by Provident Fund Commissioner are defined contribution plans. The Company's contribution paid/payable under the schemes is recognized as expense in the profit and loss account during the period in which the employee renders the related service.		
Indigenous	46,26,91,307	36,46,46,006	Employers Contribution to Provident fund & ESI	34,10,964.00	30,61,956.00
% of Consumption	99.37	99.70			
18.1 Particulars of Material consumed					
Wire, Chemicals, Packing Material	46,56,27,732	39,90,65,855			
19 Changes In Inventories Of Finished Goods, Stock-In-Process And Stock-In-Trade					
Inventories at Close					
Finished Goods	3,14,67,658	2,84,65,406			
Semi Finished Goods	99,58,944	90,62,776			
Stock In Trade	35,66,274	10,77,617			
Total	4,49,92,876	3,86,05,799			
Inventories at Commencement					
Finished Goods	2,84,65,406	2,14,74,974			
Semi Finished Goods	79,85,159	70,17,579			

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
Defined Benefit plans :					
a. The employees' gratuity fund scheme managed by Life Insurance Corporation of India for the Company is a defined benefit plan. During the year company paid amount Rs. 2490210/- for future gratuity benefits of the employees of company					
b. Benefit related to the Leave Encashment company made provision amounting Rs. 501516/- as per the policy of the company.					
23. Other Expenses					
Manufacturing Expenses :					
Consumption of stores and spare parts & Others (Indigenous)	5,57,114	4,91,542			
Power and fuel	1,79,58,380	1,54,85,389			
Repairs to buildings	9,25,507	8,72,605			
Repairs to machinery	49,60,289	52,39,198			
Repairs to others	6,77,204	8,21,615			
Laboratory Expenses	6,16,411	4,85,815			
Packing & Other Expenses	4,580	2,468			
Difference In Excise Duty on Opening / Closing Stock	8,86,143	7,57,556			
Administrative Expenses :					
Rates and Taxes, excluding taxes on income	1,18,339	61,012			
Rent	6,43,585	3,07,750			
Printing & Stationery	6,98,813	6,45,234			
Postage & Telegram	2,85,386	3,97,939			
Telephone Charges	12,08,905	11,86,244			
Travelling Exp. (Directors)	7,20,895	9,63,990			
Travelling Exp. Staff & others	43,92,435	30,29,938			
Vehicle Expenses	31,01,273	22,15,490			
Payment To Auditors	68,110	62,273			
Legal & Professional Charges	15,27,589	7,43,573			
Membership & Testing Fees	11,67,300	13,28,306			
Insurance Expenses	6,71,182	8,36,027			
Office General & Misc. Exp.	15,48,052	15,84,272			
Loss on sale of assets	30,029	2,59,689			
Director's Sitting Fees	85,000	1,35,000			
Donation	1,350	32,950			
Foreign Exchange Diff. Currency	—	25,743			
Loss on Sale of Investment	9,29,941	—			
Selling & Distribution Expense :					
Duties & Taxes	2,01,28,770	1,80,78,076			
Freight & Cartage Outward	1,14,02,721	1,06,88,802			
Advertisement & Publicity	82,360	81,112			
Sales Promotion etc.	24,07,980	34,49,397			
			Commission & Discount		
			1,35,94,041		
			1,46,30,703		
			Bad Debts Written off		
			1,64,709		
			7,84,300		
			Total		
			9,15,64,393		
			8,56,84,008		
			23.1 The Excise duty related to the difference between the closing stock and opening stock Rs.8,86,143/- (Previous Year Rs. 7,57,556/-) has been shown in other manufacturing expenses and excise duty related to sales amounting to Rs.6,84,43,945/- (Pr.Yr. Rs.5,70,42,366/-) has been reduced from gross sales.		
			23.2 Payment to Auditors		
			i Audit Fees		
			33,090		
			33,090		
			ii Tax Audit Fees		
			11,030		
			11,030		
			iii Other Services		
			11,030		
			11,030		
			iv Certificate fees		
			12,960		
			7,123		
			68,110		
			62,273		
			24 Earning Per Share		
			i Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders		
			2,39,21,308		
			1,56,56,961		
			ii Weighted Average number of equity shares used as denominator for calculating EPS (Issued C.Y. 7400000, P.Y. 6940000)		
			71,66,230		
			63,65,961		
			iii Basic earning per share		
			3.34		
			2.49		
			iv Diluted earning per share		
			3.23		
			1.58		
			v Face Value per equity share		
			10		
			10		
			25 Related Party Disclosures		
			In accordance with accounting standard 18 " Related Party Disclosure" issued by the Institute of Chartered Accountant of India, the Company has compiled the required information is as under :		
			Associates		
			Vora Wires Industries (India) Limited		
			International Steel		
			Good Creation Investment & finance limited		
			V & H Fabricators Pvt. Ltd.		
			Commonwealth Mining Pvt. Ltd.		
			Smt. Suchita Kakrecha		
			Key Managerial Persons		
			Shri Harsh Kumar Vora (Managing Director)		
			Shri V.S. Bhate (Director-Technical)		
			Shri Madhusudan Jain (Whole Time Director)		

Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees	Note No.	As at 31.03.2012 Rupees	As at 31.03.2011 Rupees
Transactions with related Parties			30	Amortization of lease hold land is not being done as the same is on perpetual lease.	
Nature of Transactions	Associates/Key Management Persons	Associates/Key Management Persons	31	Segment Reporting	
	31.03.2012	31.03.2011	a) Business Segment :	The Company is mainly engaged in the business of welding consumables. All other activities of the Company revolve around the main business and as such there is no separate reportable business segment.	
Sale of Goods	268779	6,96,640	b) Geographical Segment:	Since all the operations of the Company are conducted within India as such there is no separate reportable geographical segment.	
Sale of Assets	----	----	32	Contingent Liabilities & Commitments	
Purchase of Capital Goods	2653805	1,24,91,133	i	Guarantees given on behalf of the company	11,72,936 1,49,366
Purchase of Raw Material	----	----	ii	CST Demand (in appeal)	25,12,172 25,65,551
Receiving of Services	25818	4,03,446	iii	Entry Tax Demand (in appeal)	52,84,665 <u>53,54,842</u>
Unsecured Loan Taken	14250000	2,02,06,600	Total		89,69,773 <u>80,69,759</u>
Repayment of Unsecured Loan	14300000	2,02,06,600	33	Value of Imports on(CIF Basis)	
Interest Paid	231731	5,24,040		Raw Material	77,52,120 14,19,849
Managerial Remuneration	9751591	73,32,380		Capital Goods	23,09,002 -
Sale of Keyman insurance Policy	7800000	-----		Trading Goods	26,44,710 -
Outstanding Balances			Total		1,27,05,832 <u>14,19,849</u>
As on 31.03.2012			34	Expenditure in foreign exchange 1,27,05,832 14,19,849	
Trade Receivables	1234118	12,08,866	35	Earning in foreign exchange Value of Export 68,20,886 20,20,013	
Trade & Other Paybles	1934093	6,69,788	36	These financial statements have been prepared in the format prescribed by the revised Schedule VI to the companies Act 1956. Previous period figures have been recasted/ restated to confirm to the current period. Figures have been rounded off to the nearest Rupee	
26	Pursuant to accounting standard 28 " Impairment of Assets" issued by the Institute of Chartered Accountants of India, the company has reviewed its carrying cost of assets with value in use (determined based on future earnings) and Net realizable value on an approximate basis. Based on such review, the management is of the view that in the current financial year, Provision for impairment of assets is not considered necessary.				
27	Various items included under the head Current Assets, Loan & Advances, as well as Current Liabilities are subject to confirmation / reconciliation.				
28	In the opinion of the Management, the value on realization of loans and advances, and other current assets will be at least equal to the amounts stated in the books of accounts, if realized in the ordinary course of the business.				
29	In the absence of information from suppliers of their status being small scale/ ancillary undertakings amount overdue and interest payable there on cannot be quantified.				
As per our report of even date attached			For and on behalf of the board		
For and on behalf of M/s ABN & CO.			V.S.Bhate		
Chartered Accountant			Harsh Kumar Vora		
(B.M. Bhandari)			Technical Director		
Partner			Managing Director		
M.No. 071232			Rajesh sen		
Place: Indore			Company Secretary		
Dated: 11 th August 2012			Sushil Rawka		
			Director		

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(i)	Registration Details		
	Registration No.	11035822	State Code 11
	Balance Sheet Date	31032012	
(ii)	Capital Raised during the Year (Amount in Rs. Thousand)		
	Public Issue	NIL	Right Issue NIL
	Bonus Issue	NIL	Private Placement 4600
(iii)	Position of Mobilization and Deployment of funds.		
	Total Liabilities	392268455	Total Assets 392268455
	Sources of Funds		
	Paid - up Capital	74000000	Reserved & Surplus 169675538
	Secured Loans	16394647	Unsecured Loans NIL
	Deferred Tax	12464229	
	Application of Funds		
	Net fixed Assets	149308956	Investments 14562199
	Net Current Assets	95950417	Misc. Expenditure NIL
(iv)	Performance of the Company		
	(Turnover including other income)	659500027	Total Expenditure 623992795
	Profit before tax	35507232	Profit after tax 23921308
	Earning per Share Rs.	3.34	Dividend Rate % 5
(v)	Generic Name of Principal Production / Service of the Company (as per monetary terms)		
	Item Code No.	8311	
	Product Description	WELDING ELECTRODES	

For and on behalf of M/s ABN & CO.
Chartered Accountant

(B.M. Bhandari)
Partner
M.No. 071232
Place: Indore
Dated: 11th August 2012

For and on behalf of the board

V.S.Bhate
Technical Director

Harsh Kumar Vora
Managing Director

Rajesh sen
Company Secretary

Sushil Rawka
Director

D & H INDIA LIMITED

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

ADMISSION SLIP

Equity Folio No. :
DP ID* :
Client ID* :
No. of Shares held. :

I hereby record my presence at the 27th Annual General Meeting of the Company being held at A-505, Kailash Esplanade, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W), Mumbai- 400086 on Saturday the 29th day of September, 2012 at 10.00 A.M.

Name of the Member _____

(In block letters)

Name of the Proxy holder _____

(In block letters)

Signature of the Member / Proxy

Note: A member/ proxy wishing to attend the meeting must complete this Admission slip before coming to the meeting and hand it over at the entrance.

* Applicable for shares held in electronic form

D & H INDIA LIMITED

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

PROXY FORM

I/We _____

of _____ being a member / members of D & H INDIA LIMITED hereby appoint

Mr. / Smt/ Ku. _____ of _____ or failing him

Mr./ Smt/ Ku. _____ of _____ as my / our proxy

in my / our absence to attend and vote for me / us and on my/ our behalf at the 27th Annual General Meeting of

the Company to be held on 29th September, 2012 at 10.00 a.m. and at any adjournment thereof. .

Signed this _____ day of _____ 2012.

Equity Folio No. :
DP ID* :
Client ID* :
No. of Shares held. :

Signature (s)

Affix Re. 1/- Revenue Stamp

* Strike out whichever is not applicable.

Note: The Proxy, in order to be effective, should be duly completed, stamped, and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.

BOOK-POST

To,



If Undelivered, please return to :

D & H INDIA LIMITED

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