

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 Kumar 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

AUDITORS

M/s. ABN & Co.
Indore

REGISTRAR & SHARE TRANSFER AGENT

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

NOTICE OF TWENTY FIFTH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Fifth Annual General Meeting** of the members of **D & H Welding Electrodes (India) Limited** will be held on Thursday the 30th day of September, 2010 at 10:00 a.m. at the Registered Office of the Company situated at A-204, Kailash Esplanade, Opposite Shreyas Cinema, L.B.S. Marg, Ghatkopar (West), Mumbai - 400086 to transact the following business: -

AS ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2010 and Profit & Loss Account of the Company for the year and the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Basant Singh Johari, Director who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Surjit Singh, Director who retires by rotation and being eligible, offers himself for re-appointment
5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of the Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s ABN & Co. Chartered Accountants, Indore, the retiring Auditors of the Company, from whom a certificate under Section 224 (1B) of the Companies Act, 1956 has been obtained, be and are hereby re-appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors of the Company, from time to time based on the recommendation of Audit Committee plus service tax and such other tax(es) as may be applicable and reimbursement of out of pocket expenses incurred by them for carrying out the Audit”

AS SPECIAL BUSINESS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

BY ORDER OF THE BOARD

PLACE: INDORE
DATE: 17th August, 2010

HARSH KUMAR VORA
(MANAGING DIRECTOR)

NOTES:

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

BY ORDER OF THE BOARD

PLACE: INDORE
DATE: 17th August, 2010

HARSH KUMAR VORA
(MANAGING DIRECTOR)

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

ITEM NO. 6

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

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

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

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

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

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

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

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

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

ITEM NO. 7

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

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

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

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

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

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

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

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

ITEM NO. 8

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

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

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

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

DIRECTORS' REPORT

To
The Members

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

OPERATIONAL PERFORMANCE

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

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

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

DIVIDEND

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

EXPORT

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

EXPANSION

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

DIRECTORS

Mr. Basant Singh Johari and Mr. Surjit Singh, Directors are liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for the re-appointment. The Board of Directors recommends their re-appointment.

CORPORATE GOVERNANCE

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

FIXED DEPOSITS

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

DIRECTOR'S RESPONSIBILITY STATEMENT

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

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

CONSERVATION OF ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

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

AUDITORS

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

AUDITOR'S REPORT

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

PARTICULARS OF EMPLOYEES

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

ACKNOWLEDGMENT

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

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

FOR AND ON BEHALF OF THE BOARD

PLACE : INDORE

HARSH KUMAR VORA

VASUDEO S. BHATE

DATE : 17th August, 2010

MANAGING DIRECTOR

TECHNICAL DIRECTOR

ANNEXURE TO DIRECTORS' REPORT

FORM 'A'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

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

FORM 'B'

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

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

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

Technology absorption, adaptation and innovation.

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

NIL

ANNEXURE – C

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

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

Notes:

1. The monthly remuneration of Mr. Madhusudan Jain, Whole Time Director of the Company exceeded the limit of Rs. 2,00,000 w.e.f 01.10.2009
2. Remuneration has been calculated on the basis of Section 198 of the Companies Act, 1956
3. The employment is contractual in accordance with the terms and conditions as per the agreement.
4. Mr. Madhusudan Jain, Whole Time Director is the relative of Mr. Harsh Kumar Vora, Managing Director of the Company.
5. Mr. Harsh Kumar Vora, Managing Director of the Company is the relative of Mr. Madhusudan Jain, Mr. Nirmal Lunia and Vimal Lunia, Directors of the Company.

FOR AND ON BEHALF OF THE BOARD

PLACE : INDORE
DATE : 17th August, 2010

HARSH KUMAR VORA
MANAGING DIRECTOR

VASUDEO S. BHATE
TECHNICAL DIRECTOR

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Performance

The overall production of the Company was increased by about 29.80 % and sales increased by 3.89 % to Rs.56.48 Crores, as against 54.37 Crores in the last year. However the Profit before Tax was Rs. 2.41 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 2011.

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, 2010 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 31.03.2010:

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 Eight times during the Financial Year 2009–2010 and the gap between two meetings did not exceed four months. Dates on which the Board meetings were held are: 25.04.2009, 31.07.2009, 08.08.2009, 05.10.2009, 31.10.2009 30.01.2010, 20.02.2010 and 29.03.2010. 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 Five times during the Financial Year 2009-2010 on 17.04.2009, 22.07.2009, 01.08.2009, 21.10.2009 and 15.01.2010.

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 Seven 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 2009-2010 on 14.04.2009, 15.07.2009, 15.10.2009 and 18.01.2010.

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 2009-2010 on 21.07.2009 and 16.10.2009.

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				Annual General Meeting	Outside Directorship & Committee Positions	
			No of Board Meetings	No of Audit committee Meetings	No of STCIGC Meetings Attended	No. of RC Meetings Attended		Attended during the Year	Direct -or Ship
1	Mr. Harsh Vora	Executive	8	N.A.	N.A.	N.A.	Yes	2	Nil
2	Mr. Vasudeo S. Bhate	Executive	8	N.A.	N.A.	N.A.	No	Nil	Nil
3	Mr. Sushil Rawka	Non Executive	7	5	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	8	5	4	2	No	Nil	Nil
6	Mr. Vimal Lunia	Non Executive	1	N.A.	N.A.	N.A.	No	2	Nil
7	Mr. Madhusudan Jain	Executive	7	N.A.	4	N.A.	Yes	3	Nil
8	Mr. Surjit Singh	Non Executive & Independent	8	5	N.A.	2	No	Nil	Nil
9	Mr. Basant S. Johari	Non Executive & Independent	7	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 Kumar Vora (Executive Director)	26,78,400	1,25,500	NIL
2	Mr. Vasudeo S. Bhate (Executive Director)	11,52,000	74,044	NIL
3	Mr. Madhusudan Jain (Executive Director)	12,24,000	8,17,497	NIL
4	Mr. Sushil Rawka	NIL	NIL	31,000
5	Mr. Jagdish C. Kapur	NIL	NIL	36,000
6	Mr. Nirmal Lunia	NIL	NIL	NIL
7	Mr. B. S. Johari	NIL	NIL	31,000
8	Mr. Surjit Singh	NIL	NIL	36,000
9	Mr. Vimal Lunia	NIL	NIL	5,000
	Total	50,54,400	10,17,041	1,39,000

VII. General Body Meeting:

Financial Year	Date	Location of Meeting	Time	Whether any special resolution passed
2009-2010	22.03.2010	At Registered Office at Mumbai	10:00 A.M.	Yes
2008-2009	30.09.2009	At Registered Office at Mumbai	10:00 A.M.	Yes
2007-2008	22.09.2008	At Registered Office at Mumbai	10:00 A.M.	Yes
2006-2007	24.09.2007	At Registered Office at Mumbai	10:00 A.M.	No

There was no matter requiring postal ballot as recommended by Clause 49 of the Listing Agreement read with Section 192A of the Companies Act, 1956.

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, 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 2009-2010”

Harsh Kumar Vora
Managing Director & CEO
17th August, 2010

X. Corporate Governance Compliance Certificate:

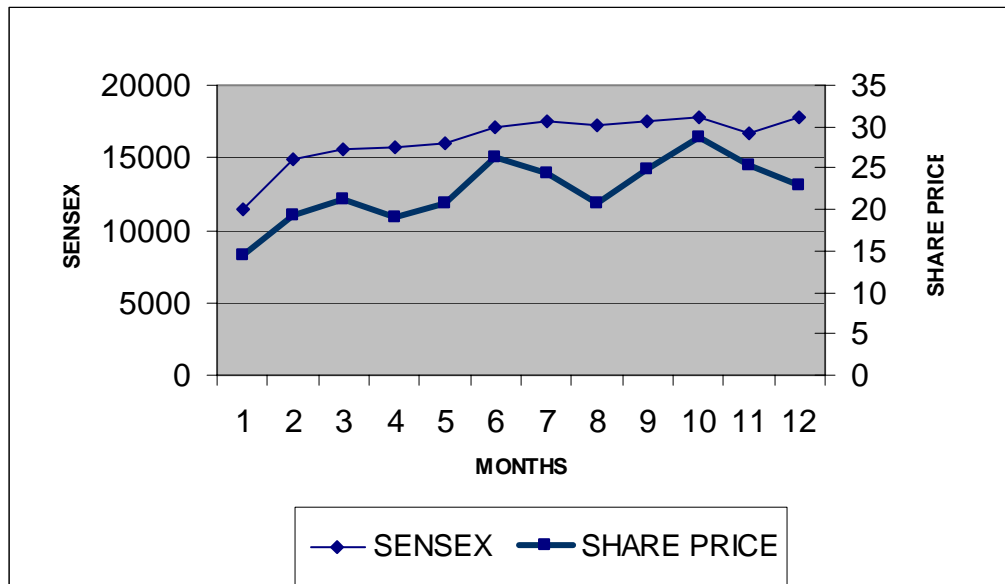
The Certificate regarding compliance of condition of clause 49 of the Listing Agreement received from the Auditors of the Company is annexed hereto.

XI. Shareholders' information

- a. **Regd. Office:** A-204, Kailash Esplanade, Opp. Shreyas Cinema, Ghatkopar (W), Mumbai-400086
Annual General Meeting: Date and Time: 30th September, 2010 at 10.00 A.M.
Venue: At Registered Office of the Company
- b. **Financial Calendar:** (Tentative) Financial reporting for:
Quarter ending June 30, 2010 : On or before August 15, 2010
Half year ending September 30, 2010 : On or before November 15, 2010
Quarter ending December 31, 2010 : On or before February 15, 2011
Year ending March 31, 2011 : On or before May 15, 2011
Annual General Meeting for year 2011 : End of September, 2011
Date of Book Closure : In the month of September, 2011
- 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, 2009 to March, 2010 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, 2009	14.51	9.83	October, 2009	24.40	18.70
May, 2009	19.38	12.75	November, 2009	20.75	17.00
June, 2009	21.35	16.30	December, 2009	24.90	18.50
July, 2009	19.00	14.50	January, 2010	28.80	21.15
August, 2009	20.80	17.30	February, 2010	25.25	20.25
September, 2009	26.20	18.60	March, 2010	22.85	18.00

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



f. Distribution of Shareholding as on March 31, 2010

Nominal value of Equity share held (Rs.)	No. of Share Holders	Share Amount in (Rs.)	% of share holding
Up to 1000	3,730	34,94,560	5.49
1001 to 2000	1,211	23,65,690	3.72
2001 to 3000	406	11,83,210	1.86
3001 to 4000	138	5,36,520	0.84
4001 to 5000	384	19,06,210	3.00
5001 to 10000	399	34,12,920	5.37
10001 to 20000	201	31,39,780	4.94
20001 to 30000	63	16,17,900	2.54
30001 to 40000	38	13,10,910	2.06
40001 to 50000	26	12,18,360	1.92
50001 to 100000	33	24,00,630	3.77
100000 above	52	4,10,09,310	64.48
TOTAL	6681	6,35,96,000	100.00

g. Categories of shareholding as on 31st March, 2010:

Category	No. of Share held	% of share holding
Promoters & Person acting in concert	2734921	43.00
Financial Institution, Mutual Fund and Banks	0.00	0.00
Private Corporate Bodies	1043278	16.40
Non Resident / OCBs	69439	1.09
Indian Public	2511962	39.51
TOTAL	6359600	100.00

h. Dematerialization of shares:

Trading in shares of D & H Welding Electrodes (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, 2010, an aggregate of 56,22,575 Equity Shares, which amounts to 88.41% of total Equity Share Capital of the Company exist under the Electronic form.

The International Securities Identification Number (ISIN) allotted to the Company is **INE589DO1018**.

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:

2nd floor, Alankar Point, Geeta Bhawan Square, A.B Road

Indore – 452001, Madhya Pradesh

Contact No.: 0731-2491298

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 and 2008-2009 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 Welding Electrodes (India) Limited,
Mumbai**

17th August, 2010

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 Kumar Vora
Managing Director /CEO**

**Sanat Jain
G.M.Finance/CFO**

Cc: Audit Committee
D & H Welding Electrodes(India) Limited

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members
D&H WELDING ELECTRODES (INDIA) LIMITED

We have reviewed the compliance of conditions of Corporate Governance by D & H Welding Electrodes (India) Ltd. for the Financial Year ended 31st March, 2010 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, 2010 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, 2010 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: 17th August, 2010

B.M.Bhandari
Partner

AUDITORS' REPORT

To,
The Members,
D & H WELDING ELECTRODES (INDIA) LTD.

We have audited the attached Balance Sheet of ***D & H WELDING ELECTRODES (INDIA) LTD.*** as at 31st March 2010 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 31.03.2010 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 2010.
 - (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 : 17th August, 2010**

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 2010 of *D & H Welding Electrodes (India) Ltd.*)

- 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.
 - b. The company has taken unsecured loan from one director, the maximum amount involved during the year was Rs.10,00,000/- and year-end balance of loan was Nil.
 - c. 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.
 - d. The unsecured loan taken from director has been squared up during the year, hence no comments on regularity of payment of interest and principal of the loan.
- 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 31.03.2010 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 no statutory dues which have not been deposited on account of any dispute.
- 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 are 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, no term loans taken by the company during the year.
- 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, have been used for long term investments.
- XVIII During the year company has converted 5,00,000 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

Place: Indore
Date: 17th August, 2010

C.A B.M Bhandari
Partner
(Mem. No. 071232)

BALANCE SHEET AS AT 31ST MARCH, 2010

Sch. No.	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SOURCES OF FUNDS		
Shareholder's funds		
Share Capital	1 76743200	59696000
Reserves & Surplus	2 110159027	91965949
Deferred Tax (Net)	7258001	6492784
Loan Funds		
Secured Loans	3 4047599	14927308
Unsecured Loans	0	0
Total:	<u>198207827</u>	<u>173082041</u>
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	4 124034200	102496796
Less: Depreciation	<u>39535338</u>	<u>34461480</u>
Net Block	84498862	68035316
Investments	5 1254399	254399
Current Assets, Loans & Advances		
Inventories	70750720	71022881
Sundry Debtors	104481147	94922083
Cash & Bank Balances	5394227	5272853
Loans & Advances	<u>32365399</u>	<u>9143128</u>
	<u>212991493</u>	<u>180360945</u>
Less: Current Liabilities & Provisions	7	
Current Liabilities	96793003	67114180
Provisions	<u>3743925</u>	<u>8454439</u>
	<u>100536928</u>	<u>75568619</u>
Net Current Assets	<u>112454565</u>	<u>104792326</u>
Total:	<u>198207827</u>	<u>173082041</u>

Significant Accounting Policies and Notes to the Accounts - Schedule 17

Schedules referred herein above form integral part of the Balance Sheet.

As per our Report of even date attached

For and on behalf of ABN & Co.
Chartered Accountants

(B.M.Bhandari)
Partner

M.No.071232

Place : Indore

Date : 17th August, 2010

V.S.Bhate
Technical Director

Rajesh Sen
Company Secretary

For and on behalf of the
Board

Harsh Kumar Vora
Managing Director

Sushil Rawka
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

		As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
INCOME			
Gross Sales		564847197	543719031
Less: Excise Duty		<u>43955392</u>	<u>59849949</u>
Net Sales		520891805	483869082
Increase (Decrease) in Stock	8	(12893372)	4169337
Other Income	9	<u>1017911</u>	<u>1721147</u>
Total:		<u>509016344</u>	<u>489759566</u>
EXPENDITURE			
Cost of Trading Sales	10	2163980	3402461
Materials consumed	11	362477241	345027863
Manufacturing Expenses	12	19505467	14523849
Employee's Remuneration & Benefits	13	36325282	27562710
Financial Charges	14	1295737	3922802
Administrative & Other Expenses	15	13383452	11515935
Selling & Distribution Expenses	16	28004870	23429525
Duties & Taxes		16406385	18488898
Depreciation	4	<u>5331300</u>	<u>4581711</u>
Total:		<u>484893714</u>	<u>452455754</u>
Net Profit For The Year		24122629	37303812
Provision for Income Tax (Current)		7675000	12000000
Provision for Deferred Tax Liability/(Assets)		765216	698086
Provision for Fringe Benefit Tax		0	360000
Profit After Tax		15682413	24245726
Balance brought forward from previous year		53965949	46720393
Income Tax of earlier years Less/(Add) adjusted		0	13795
Previous years adjustment (Net)		<u>(218590)</u>	<u>130936</u>
Total:		<u>69866952</u>	<u>70821388</u>
APPROPRIATIONS			
Proposed Dividend on Equity Shares		3179800	5859600
Dividend Distribution Tax		528125	995839
Transfer to General Reserves		5000000	10000000
Surplus Carried to the Balance Sheet		<u>61159027</u>	<u>53965949</u>
Total:		<u>61159027</u>	<u>53965949</u>
Earnings per share (EPS) par value Rs.10/- each Basic		2.66	4.11
No. of shares used in computing Basic EPS		5983573	5859600
Earnings per share (EPS) par value Rs.10/- each Diluted		2.64	4.21
No. of shares used in computing Diluted EPS		6014589	5730148

Significant Accounting Policies and Notes to the Accounts – Schedule 17

Schedules referred herein above form integral part of the Profit & Loss Account

As per our Report of even date attached

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

**(B.M.Bhandari)
Partner
M.No.071232
Place : Indore
Date : 17th August, 2010**

**V.S.Bhate
Technical Director

Rajesh Sen
Company Secretary**

**For and on behalf of the
Board**

**Harsh Kumar Vora
Managing Director

Sushil Rawka
Director**

**SCHEDULE 01 TO 17 ANNEXED TO AND FORMING PART OF THE BALANCE
SHEET AS AT 31st MARCH , 2010 AND THE PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED ON THAT DATE.**

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE - 1		
SHARE CAPITAL		
AUTHORISED		
10000000 Equity Shares of Rs.10/- Each	100000000	100000000
Issued, Subscribed & Paid-up		
6359600 Equity Shares of Rs.10/- each (Fully Paid up) (Previous Yr.58,59,600 equity Shares of Rs.10/- each)	63596000	58596000
(Ref.Point 18 of Notes to Accounts)		
Convertible Warrant (Partly Paid Up (Pr.Year 500000 Convertible Warrant (Partly Paid Up)	0	1100000
(Ref.Point 18 of Notes to Accounts)		
Share Application Money (2390400 Convertible Warrant)	13147200	0
Total:	76743200	59696000
SCHEDULE - 2		
RESERVES & SURPLUS		
GENERAL RESERVE		
Opening Balance	35000000	25000000
Add: Transfer From Profit & Loss Account	<u>5000000</u> 40000000	<u>10000000</u> 35000000
Add: Balance in Profit & Loss Account	<u>61159027</u>	<u>53965949</u>
	101159027	88965949
Share Premium		
750000 Equity Shares of Rs.12/- Each (Pr.Year 250000 Equity Share of Rs.12/-Each)	9000000	3000000
Total:	110159027	91965949
SCHEDULE - 3		
LOAN FUNDS		
SECURED LOANS		
<u>Working Capital Loans</u>		
SBI Factors and Commercial Services Pvt.Ltd.	3990004	3252909
State Bank of India Cash Credit Loan	0	11290228
<u>Hire Purchase Loans</u>		
ICICI Bank Ltd.	<u>57595</u>	<u>384171</u>
Total:	4047599	14927308

Note:

1. Cash Credit Loan from State Bank of India is secured by hypothecation of stocks, book debts, equitable mortgage of Land & Building of the Company at Plot A , Sector A , Industrial Area, Sanwer Road , Indore and a flat of Director, Pledge of existing and future plant & machinery and personal guarantee of two directors of the Company.
2. Factoring facilities from SBI Factors and Commercial Services Pvt.Ltd. is secured by hypothecation of book debts, equitable mortgage of Land and Building at Ghatabillod and Plot 'B' , Sector 'A' , Ind. Area Sanwer Road ,Indore and personal guarantee of two director of the Company.
3. The loan for Hire Purchase (Vehicle) are secured by hypothecation of respective vehicles.

SCHEDULE -4

FIXED ASSETS

Particulars	Gross			Block			Depre- ciation		Block			
	As On	Addition	Adjustment	As On	Up To	Adjustment	Rate	For The	Up To	As On	As On	
	01.04.09			31.03.10	31.03.09			Year	31.03.10	31.03.10	31.03.09	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%	Rupees	Rupees	Rupees	Rupees	
Lease Hold Land	89750	0	0	89750	0	0	0.00	0.00	0	89750	89750	
Free Hold Land	435106	658220	0	1093326	0	0	0.00	0.00	0	1093326	435106	
Office Building	2504370	0		2504370	144191	0	1.63	40821.00	185012	2319358	2360179	
Factory Building	23152346	5880489		29032835	6877119	0	3.34	815107.00	7692226	21340609	16275227	
Plant & Machinery	58183111	11743290	538000	69388401	20674921	153330	4.75	2903875.00	23425466	45962935	37508190	
Electric Installation	4435711	642151		5077862	925787	0	4.75	225019.00	1150806	3927056	3509924	
Laboratory Equip.	735799	21457		757256	302855	0	4.75	35697.00	338552	418704	432944	
Vehicles	6149828	2524331	151380	8522779	1715193	104112	9.50	629339.00	2240420	6282359	4434635	
Furniture & Fixtures	2748686	40715		2789401	1391163	0	6.33	174486.00	1565649	1223752	1357523	
Office Equipment	1650265	287027		1937292	660277	0	4.75	84509.00	744786	1192506	989988	
Computers	2411825	429104		2840929	1769974	0	16.21	422447.00	2192421	648508	641851	
		0		0								
Total	102496797	22226784	689380	124034200	34461480	257442		5331300	39535338	84498862	68035316	
Previous Year	88331277	15138389	972870	102496796	30475367	595598		4581711	34461480	68035316	57855910	

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
SCHEDULE - 5		
INVESTMENTS		
Quoted Shares	Qty.	Qty.
Tata Consultancy Services Face Value Rs. 1.00	616	130900
Hindalco Industries	200	8810
National Aluminium	100	14689
(Market Value of quoted shares as on 31.03.10 is Rs.5,57,948)		
Units of Mutual Fund		
SBI One India	10000	10000
Units of Mutual Fund	100000	100000
Tata Equity Fund	12895	0
HDFC Top 200 Fund	10735	0
(NAV as on 31.03.10 is Rs. 10,84,297)		
Total :	1254399	254399
SCHEDULE - 6		
CURRENT ASSETS, LOANS AND ADVANCES		
[A] CURRENT ASSETS		
INVENTORIES (As taken, valued & certified by the management)		
Raw Materials	39431119	26921675
Finished goods	21474974	31600808
Semi -Finished Goods	7017579	9785117
Stores & Spares	1407222	1013611
Trading Stocks	1419826	1701670
Total:	70750720	71022881
SUNDRY DEBTORS		
(Unsecured considered Good)		
Out Standing Exceeding six months	10736408	7645637
Others	93744739	87276446
Total:	104481147	94922083
CASH & BANK BALANCES		
Cash in hand (As certified by the Management)	145310	326569
<u>With scheduled banks in India:</u>		
Current Account	1466292	3352773
Fixed Deposit	3782625	1593511
Total:	5394227	5272853
Total:[A]	180626094	171217817
[B] LOANS AND ADVANCES		
[Recoverable in cash or kind for value to be received, considered good]		
Sundry deposits	636137	625430
Advances	31729262	8517698
Total:[B]	32365399	9143128
Total:[A+B]	212991493	180360945

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
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SCHEDULE - 7

CURRENT LIABILITIES & PROVISIONS

A. CURRENT LIABILITIES

Creditors for goods supplied and expenses	78731905	56495253
Sundry Deposits (from Dealers)	1912911	1522911
Other Liabilities	8484466	2348988
Outstanding Expenses	7663721	6747028

Total:[A]	96793003	67114180
------------------	-----------------	----------

B. PROVISIONS

Provision for Income Tax(Net of Advance Tax)	0	1500000
Provision for Fringe Benefit Tax (Net of Advance Tax)	0	80000
Provision for Proposed Dividend	3179800	5859600
Provision for Dividend Distribution Tax	528125	995839
Provisions for Wealth Tax	36000	19000

Total:[B]	3743925	8454439
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Total:[A+B]	100536928	75568619
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SCHEDULE - 8

INCREASE (DECREASE) IN STOCKS

Closing Stock		
Finished Goods	21474974	31600808
Semi Finished Goods	7017579	9785117

Total:[A]	28492553	41385925
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Less : Opening Stock

Finished Goods	31600808	30837101
Semi Finished Goods	9785117	6379487

Total:[B]	41385925	37216588
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Increase (Decrease) in Stock	Total:[A-B] (12893372)	4169337
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	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
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SCHEDULE - 9

OTHER INCOME

Misc. & Other Receipts (Net)	570971	500522
Profit on sale of assets	1652	50000
Insurance Claim Received	197301	184624
Bad Debt Recovered	120000	15000
Interest Received	101123	325525
Profit on sale of Equity Share	95	75087
Short Term Cap.Gain (Share Trading)	0	570389
Petty Balance W/o (Credit)	17107	0
Dividend A/c	9662	0
Total:	<u>1017911</u>	<u>1721147</u>

SCHEDULE - 10

COST OF TRADING SALES

Opening Stock	1701670	1023545
Add: Purchased During the Year	<u>1882136</u>	<u>4080586</u>
	3583806	5104131
Less: Closing Stock	1419826	1701670
Total:	<u>2163980</u>	<u>3402461</u>

SCHEDULE - 11

MATERIAL CONSUMED

(Wire, Chemical & Packing Material)

Opening Stock	26921675	34116760
Add: Purchase During the year (Net)	<u>360947623</u>	<u>326736733</u>
Expenses on Purchase	14039062	11096045
	401908360	371949538
Less: Closing stock	39431119	26921675
Total:	<u>362477241</u>	<u>345027863</u>

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
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SCHEDULE - 12

MANUFACTURING EXPENSES

Power & Fuel	12730162	9535400
Stores & Spare Parts & Others	464924	316887
Repairs to Machinery	4040072	2461785
Repair's to others	688413	604170
Repair's to Building	1122171	1238156
Laboratory expenses	869750	726845
Packing & other Expenses	8255	1243559
Difference in Excise Duty on Opening / Closing Stock	(418280)	(1602953)
Total:	<u>19505467</u>	<u>14523849</u>

SCHEDULE - 13

EMPLOYEES REMUNERATION & BENEFITS

Salary, Wages & Bonus	24193169	18592825
Allowances	8923465	6502070
Contribution to P.F. & E.S.I.	2304365	1780491
Workmen & Staff Welfare Expenses	904283	687324
Total:	<u>36325282</u>	<u>27562710</u>

SCHEDULE - 14

FINANCIAL CHARGES

Bank Charges	1229754	1766484
Interest on Working Capital Loans	65983	2099401
Interest to others		56917
Total:[A]	<u>1295737</u>	<u>3922802</u>

	As at 31.03.2010 Rupees	As at 31.03.2009 Rupees
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SCHEDULE - 15

ADMINISTRATIVE AND OTHER EXPENSES

Rent Rates & Taxes	230329	788409
Printing & Stationery	647011	505482
Postage & Telegram	304990	257284
Telephone Charges	985091	929151
Travelling Exp. (Directors)	572947	559006
Travelling Exp. Staff & others	2423401	1911087
Vehicle Expenses	1915434	1599814
Audit Fees	55150	55150
Legal & Professional Charges	1035453	1064065
Membership & Testing Fees	2500574	1347693
Insurance Expenses	1018371	1007477
Office General & Misc. Exp.	1309419	1259794
Loss on sale of assets	239840	152272
Director's Sitting Fees	139000	69000
Donation	1000	10251
Penalty	5442	0
Total:	13383452	11515935

SCHEDULE - 16

SELLING & DISTRIBUTION EXPENSES

Freight & Cartage Outward	10719657	8528929
Advertisement & Publicity	595058	133050
Sales Promotion etc.	1895243	1081065
Commission & Discount	13575899	12997865
Bad Debts Written off	1219013	688616
Total:	28004870	23429525

SCHEDULE- 17

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE ACCOUNTS.

A. SIGNIFICANT ACCOUNTING POLICIES.

01. METHOD OF ACCOUNTING

The Company follows the mercantile system of accounting and all significant items of incomes and expenditure are accounted for on accrual basis. Claims / lodgments / refunds not ascertainable with certainty are accounted for on cash basis.

02. FIXED ASSETS AND CAPITAL WORK – IN - PROGRESS

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

03. 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.

04. VALUE OF 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.

05. INVESTMENT

Long Term Investments are carried at cost less provision for diminution, only if, decline is other than temporary, in the opinion the management.

06. IMPAIRMENT OF 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.

07. REVENUE RECOGNITION

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

08. PROVISION, CONTINGENT LIABILITIES & 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.

09. 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.

10. 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.

11. TAXATION

Taxation comprise current Income tax, deferred tax ,Fringe Benefit tax and 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.

12 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.

B. NOTES TO THE ACCOUNTS: -

01. 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.
02. Previous year figures are regrouped and rearranged wherever found necessary to make them comparable. Figures have been rounded off to the nearest Rupee.
03. Various items included under the head Current Assets, Loan & Advances, as well as Current Liabilities are subject to confirmation / reconciliation.
04. 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.

05. 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.
06. Debtors outstanding exceeding six month is Nil (Pr.Yr. Rs. Twenty Five lacs) against for the sale of shares to a Company in which directors are interested.
07. Loans and Advances includes Rs 57,00,960/-(Pr. Yr.Nil) for advance to Firms/ Companies in which Directors are interested.
08. Amortization of lease hold land is not being done as the same is on perpetual lease.
09. The Excise duty related to the difference between the closing stock and opening stock Rs.(4,18,280/-) [Previous Year Rs.16,02,953/-] has been shown in other manufacturing expenses and excise duty related to sales amounting to Rs.4,39,55,392/- .(Pr.Yr. Rs.5,98,49,949/-) has been reduced from gross sales.
10. The Break- up of deferred tax assets and liabilities into major components at the year end is as under:

Particulars	31.03.2010 (Rs.)	31.03.2009 (Rs.)
--------------------	-----------------------------	-----------------------------

(I) Deferred Tax Liability

For timing difference on account of difference between written down value of fixed assets under the companies Act, 1956 and the Income Tax Act, 1961

74,25,906	65,60,520
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(II) Deferred Tax Asset

Expenditure U/s 43B of Income Tax Act, 1961

1,67,905	67,736
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Deferred Tax (Net)

72,58,001	64,92,784
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11. **Director's Remunerations**

(Included in Employees Remuneration & Benefits)

	31.03.2010 (Rs.)	31.03.2009 (Rs.)
--	-----------------------------	-----------------------------

1. Salary and allowances

50,54,400	39,02,400
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2. Perquisites and benefits

10,17,041	2,64,022
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12. **Earning Per Share**

a) No. of equity shares at the beginning / at the end of year

58,59,600/6359,600

b) Net Profit / (Loss) after tax reported

Rs. 1,56,82,413.00

c) Adjusted profit / (Loss) for the year

Rs. 1,59,01,003.00

d) Basic earning per share

Rs. 2.66

e) Diluted earning per share

Rs. 2.64

13. **Segment Reporting**

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.

b) **Geographical Segment:**

Since all the operations of the Company are conducted within India as such there is no separate reportable geographical segment.

14. **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
Ennar Star Trade Limited
Good Creation Inv.& Fin.Ltd.
V & H Fabricators Pvt.Ltd.

Key Managerial Persons : Shri Harsh Kumar Vora - Managing Director
Shri V . S. Bhate - Director - Technical
Shri Madhusudan Jain - Whole Time Director

Transactions with related Parties

	Associates/Key Management Persons 31.03.2010	Associates/Key Management Persons 31.03.2009
Sale of Goods	8,32,426	2,75,540
Purchase of Capital Goods	25,09,686	20,25,307
Purchase of Raw Material	----	50,47,965
Receiving of Services	93,061	----
Unsecured Loan Taken	23,50,000	2,00,000
Repayment of Unsecured Loan	23,50,000	2,00,000
Interest Paid	18,288	----
Managerial Remuneration	60,71,441	41,66,422
Advance Given	60,00,000	----
Outstanding Balances As on 31.03.2010		
Debit Rs.	62,85,178	25,89,656
Credit Rs.	8,85,519	13,95,361

15. **SALES INCLUDES TRADING SALES**

		31.03.2010 (Rs.)	31.03.2009 (Rs.)
a)	Welding Equipments	7,85,742	4,10,887
b)	Wire	20,19,902	44,81,569
c)	Machine	---	---

16. **AUDITOR'S REMUNERATION**

31.03.2010

31.03.2009

		(Rs.)	(Rs.)
a)	Audit fees	33,090	33,090
b)	Tax audit fees	11,030	11,030
c)	Other Services	11,030	11,030
d)	Certificate Fees	12,686	21,000

17. **CONTINGENT LIABILITIES**

a)	Guarantees given on behalf of the Company	4,07,456	6,85,034
b)	Central Sales Tax demand (in Apeal)	9,32,648	0
c)	Entry Tax demand (in Apeal)	3,59,447	0

18. **PREFERENTIAL ALLOTMENT OF EQUITY SHARES AND CONVERTIBLE WARRANTS**

The Company has converted 5,00,000 (Five Lacs) 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 5th October,2009 and 29th March, 2010 respectively.

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 convertible warrants have been received before 31.03.2010

19. **Additional information pursuant to the Provisions of Paragraph 3 and 4 Part II of the Schedule VI of the Companies Act, 1956.**

31.03.2010

31.03.2009

		Unit	Qty.	Amount (Rs.).	Qty.	Amount (Rs.).
A.	Licensed and Installed capacity and production (Welding Electrodes, Fluxes etc.) Licensed capacity Installed capacity (As certified by the management) (Electrodes are converted in weight approximately)	M.T. M.T.	N.A 10400 TPA		N.A 8000 TPA	
B	Production	M.T.	8923.28		6874.34	
C.	Turnover (Sales)					
	Electrodes, flux etc..	M.T.	9053.54	56,20,41,553	6708.81	53,88,26,575
	Wires (Trading)	M.T.	26.03	20,19,902	55.81	44,81,569
	Welding Equipments (Trading)	Nos.	14	7,85,742	14	4,10,887
D.	Raw Material Consumed (Indigenous/ Imported)					
	Wires & Chemicals	M.T	9429.16	33,05,95,739	7363.29	32,38,14,006
	Packing Material			3,18,81,502		2,12,13,857
E.	Opening Stock					
	Electrodes, flux, etc.	M.T.	506.63	3,16,00,808	341.10	3,08,37,101
	Welding Equipments (Trading)	Nos.	33	6,51,100	30	5,79,290
	Wire (Trading)	M.T.	18.27	10,50,570	9.27	4,44,255
F.	Closing Stock					
	Electrodes, flux etc..	M.T	376.38	2,14,74,974	506.63	3,16,00,808
	Welding Equipments (Trading)	Nos.	29	5,80,300	33	6,51,100
	Wire Trading	M.T	13.23	8,39,526	18.27	10,50,570
G.	Opening Stock in process					
	Electrodes, Wires etc.,	M.T.	227.09	55,07,485	45.27	14,89,637
	Flux	M.T.	93.72	42,77,632	111.57	48,89,850
H.	Closing Stock in process					
	Electrodes, Wires etc.,	M.T.	110.82	36,13,674	227.09	55,07,485
	Flux	M.T.	98.73	34,03,905	93.72	42,77,632
I	Value of Imports on (CIF basis)					
	Raw Material			50,18,668		23,30,766
	Capital Goods			45,86,678		NIL
	Trading Goods			9,92,961		36,86,689
J	Value of Raw Material					
	Imported			3.33%		1.71%
	Indigenous			96.67%		98.29%
K.	Expenditure in Foreign Exchange			1,05,98,307		60,17,442
L	Earning in Foreign Exchange			5,27,483		28,88,742

For and on behalf of ABN & Co.

Chartered Accountants

B.M.Bhandari

Partner

(M.No.071232)

Place : Indore

Date : 17th August, 2010

For and on behalf of the Board

V.S.Bhate

Technical Director

Rajesh Sen

Company Secretary

Harsh Kumar Vora

Managing Director

Sushil Rawka

Director

CASH FLOW STATEMENT

31.03.2010 31.03.2009

Rs.in Lacs Rs. in Lacs

A.	Cash flow from Operating Activities		
	Net profit before tax & Extraordinary items	241.23	373.04
	Adjustment for : Depreciation	53.31	45.82
	Deferred Revenue Expenditure	0.00	0.00
	Preliminary Expenditure	0.00	0.00
	Loss/(Profit) on sale of fixed assets	2.38	1.02
	Other Income	(10.16)	(16.71)
	Interest Paid / Bank Charges	12.96	39.23
	Operating Profit before working Capital Changes Adjustment for:	299.72	442.39
	Trade & other receivable	(95.59)	(280.68)
	Inventories	2.72	21.86
	Trade Payables	296.96	78.11
	Cash generated from Operations	503.81	261.69
	Direct Tax paid	(123.60)	(137.25)
	Cash flow before extraordinary items	380.21	124.44
	Extraordinary items	2.19	(1.45)
	Net Cash from Operating Activities	382.39	122.99
B.	Cash Flow from Investing Activities		
	Purchase of fixed assets	(222.27)	(151.38)
	Loans & Advances	(201.17)	82.81
	Sale of fixed Assets	1.94	2.75
	Interest received / Misc Receipts	10.16	16.71
	Purchase/ Sale of Investments	(10.00)	(0.23)
	Net cash used in Investing Activities	(421.34)	(49.34)
C.	Cash Flow from Financing Activities		
	Proceeds from issue of Share Capital	230.47	66.00
	Proceeds from long term borrowings	(108.80)	(27.34)
	Interest Paid	(12.96)	(39.23)
	Dividend	(68.55)	(65.62)
	Net cash used in Financing Activities	40.16	(66.19)
	Net increase in Cash and Cash equivalent (A+B+C)	1.21	7.45
	Cash & Cash Equivalents As at 01.04.2009	52.73	45.28
	Cash & Cash Equivalents As at 31.03.2010	53.94	52.73

For and on behalf of ABN & Co.

Chartered Accountants

B.M.Bhandari

Partner

(M.No.071232)

Place : Indore

Date : 17th August, 2010

For and on behalf of the Board

V.S.Bhate
Technical Director

Rajesh Sen
Company Secretary

Harsh Kumar Vora
Managing Director

Sushil Rawka
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**(i) Registration Details**Registration No. State Code Balance Sheet Date **(ii) Capital Raised during the Year (Amount in Rs. Thousand)**

Public Issue

Right Issue

Bonus Issue

Private Placement

(iii) Position of Mobilization and Deployment of funds.

Total Liabilities

Total Assets

Sources of Funds

Paid - up Capital

Reserved & Surplus

Secured Loans

Unsecured Loans

Deferred Tax

Application of Funds

Net fixed Assets

Investments

Net Current Assets

Misc. Expenditure

(iv) Performance of the Company

(Turnover including other income)

Total Expenditure

Profit before tax

Profit after tax

Earning per Share Rs.

Dividend Rate %

(v) Generic Name of Principal Production / Service of the Company (as per monetary terms)Item Code No. Product Description

For and on behalf of ABN & Co.

Chartered Accountants

B.M.Bhandari

Partner

(M.No.071232)

Place : Indore

Date : 17th August, 2010

For and on behalf of the Board

V.S.Bhate
Technical DirectorRajesh Sen
Company SecretaryHarsh Kumar Vora
Managing DirectorSushil Rawka
Director

ADMISSION SLIP

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

I hereby record my presence at the 25th Annual General Meeting of the Company being held at A-204, Kailash Esplanade, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W), Mumbai- 400086 on Thursday the 30th September, 2010 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 WELDING ELECTRODES (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 WELDING ELECTRODES (INDIA) LIMITED hereby appoint Shri / Smt/ Ku. _____ of _____ or failing him Shri/ 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 25th Annual General Meeting of the Company to be held on 30th September, 2010 at 10.00 a.m. and at any adjournment thereof. .

Signed this _____ day of _____ 2010.

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

Signature (s)

Affix Revenue Stamp Re. 1

* 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.