



# D & H INDIA LIMITED

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

CIN : L28900MH1985PLC035822

D&H/SE/2017

Online filing at [www.listing.bseindia.com](http://www.listing.bseindia.com)

30<sup>th</sup> September, 2017

To,  
The General Manager  
DCS-CRD  
BSE LIMITED  
P.J. Tower, Dalal Street, Fort  
MUMBAI - 400001

**BSE CODE: 517514**

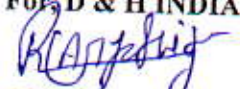
**Sub: Compliance of Regulation 34- For submission of the Approved and Adopted copy of the 32<sup>nd</sup> Annual Report for the year 2016-17.**

Dear Sir,

In compliance with the requirement of Regulation 34 of the SEBI (LODR) Regulations, 2015, we hereby submit a certified copy of the 32<sup>nd</sup> Annual Report containing the Financial Statements, Report of the Board, Corporate Governance and the Auditors Report duly approved and adopted by the members of the company at their 32<sup>nd</sup> Annual General Meeting held on Friday, 29<sup>th</sup> Sept., 2017.

You are requested to please take on record the above said document for your reference and further needful.

Thanking You,  
Yours Faithfully,  
For, D & H INDIA LTD.

  
CS RAJESH SEN  
COMPANY SECRETARY &  
COMPLIANCE OFFICER  
Encl.: a/a



H. O. & Correspondence Address : Plot 'A', Sector 'A', Industrial Area, Sanwer Road,  
INDORE - 452 015 (M.P.) INDIA Ph. : +91 731 6633501- 511 Email: ho@dnhindia.com

Regd. Off. : A-204, Kailash Esplanade, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W)  
MUMBAI - 400 086 (MH) INDIA Telephone : +91 22 25006441 Website: www.dnhindia.com





**Igniting Solutions**

**ANNUAL  
REPORT  
2016-2017**

For D & H India Ltd



*Agastya*  
CS Rajul S  
Company Secretary

**D & H INDIA LIMITED**

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

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**BOARD OF DIRECTORS**

- |     |                         |   |   |
|-----|-------------------------|---|---|
| 1.  | Mr. Harsh Vora          | : | Managing Director                       |
| 2.  | Mr. Madhusudan Jain     | : | Whole-time Director                     |
| 3.  | Mr. Saurabh Vora        | : | Whole-time Director                     |
| 4.  | Mrs. Atithi Vora        | : | Whole-time Director                     |
| 5.  | Mr. Sushil Rawka        | : | Non Executive Director                  |
| 6.  | Mr. Jagdish Chand Kapur | : | Independent Director                    |
| 7.  | Mr. Basant Singh Johari | : | Independent Director (up to 13.02.2017) |
| 8.  | Mr. Surjit Singh        | : | Independent Director (up to 07.02.2017) |
| 9.  | Mr. Eshanya B Gupta     | : | Independent Director                    |
| 10. | Mr. Sunil Kathariya     | : | Independent Director                    |

**AUDIT COMMITTEE**

- |    |                         |   |   |
|----|-------------------------|---|---|
| 1. | Mr. Surjit Singh        | : | Independent Director- Chairman (up to 07.02.2017) |
| 2. | Mr. Sunil Kathariya     | : | Independent Director- Chairman (from 07.02.2017)  |
| 3. | Mr. Jagdish Chand Kapur | : | Independent Director- Member                      |
| 4. | Mr. Sushil Rawka        | : | Non Executive Director – Member                   |
| 5. | Mr. Eshanya B Gupta     | : | Independent Director – Member                     |
| 6. | Mrs. Atithi Vora        | : | Whole-time Director – Member                      |

**STAKEHOLDERS' RELATIONSHIP COMMITTEE**

- |    |                         |   |                                   |
|----|-------------------------|---|-----------------------------------|
| 1. | Mr. Sushil Rawka        | : | Non Executive Director - Chairman |
| 2. | Mr. Jagdish Chand Kapur | : | Independent Director- Member      |
| 3. | Mr. Madhusudan Jain     | : | Whole-time Director – Member      |
| 4. | Mr. Sunil Kathariya     | : | Independent Director- Member      |

**NOMINATION AND REMUNERATION COMMITTEE**

1. Mr. Surjit Singh : Independent Director- Chairman (up to 07.02.2017)
2. Mr. Jagdish Chand Kapur : Independent Director- Chairman (from 07.02.2017)
3. Mr. Basant Singh Johari : Independent Director- Member (up to 13.02.2017)
4. Mr. Eshanya B Gupta : Independent Director- Member
5. Mr. Sunil Kathariya : Independent Director- Member

**RISK MANAGEMENT COMMITTEE**

1. Mr. Surjit Singh : Independent Director- Chairman (up to 07.02.2017)
2. Mr. Jagdish Chand Kapur : Independent Director- Chairman (from 07.02.2017)
3. Mr. Basant Singh Johari : Independent Director- Member (up to 13.02.2017)
4. Mr. Sunil Kathariya : Independent Director- Member
5. Mr. Eshanya B Gupta : Independent Director- Member

**COMPANY SECRETARY**

CS Rajesh Sen

**CHIEF FINANCIAL OFFICER**

Mr. Sanat Kumar Jain

**AUDITOR****ABN & Co.,**

Chartered Accountant  
223, Milinda Manor II Floor,  
2 RNT Marg, Opposite Central Mall,  
INDORE-452001

**SECRETARIAL AUDITORS****D. K. Jain & Co.**

Company Secretaries  
401, Silver Ark Plaza, 20/1, New Palasia  
INDORE-452001

**INTERNAL AUDITOR**

Basant Jain & Co.  
Chartered Accountant  
84, Kailash Park Colony  
Near Geeta Bhawan,  
Indore-452001

**BANKERS**

HDFC Bank Limited  
State Bank of India

**REGISTERED OFFICE**

A - 204, Kailash Esplanade,  
Opposite Shreyas Cinema, L.B.S. Marg,  
Ghatkopar (West), Mumbai – 400086  
Website: www.dnhindia.com  
Email: ho@dnhindia.com  
Phone: 022-25006441

**ADMINISTRATIVE OFFICE CUM WORKS:**

Plot 'A', Sector 'A', Industrial Area,  
Sanwer Road, Indore – 452015 (M.P.)  
Phone: 0731-6633501  
Email: ho@dnhindia.com  
Website www.dnhindia.com

**SHARE TRANSFER AGENT:**

Ankit Consultancy Pvt. Ltd.  
Plot No. 60, Electronic Complex,  
Pardeshipura, Indore (M.P.) 452001,  
Phone: 0731-2551745,  
Email: ankit\_4321@yahoo.com

**STOCK EXCHANGE**

BSE Ltd.  
Scrip Code: 517514

**NOTICE**

**Notice** is hereby given that the **Thirty Second Annual General Meeting** of the members of **D & H India Limited** will be held on **Friday the 29<sup>th</sup> day of September, 2017 at 10:00 A.M.** at Lavender Bough, 90 feet Road, Garodia Nagar, Ghatkopar (East), Mumbai - 400077 to transact the following business: -

**AS ORDINARY BUSINESSES:**

1. To receive, consider and adopt the Standalone and Consolidated Financial Statements containing the Audited Balance Sheet as at 31<sup>st</sup> March, 2017 and the statement of Profit & Loss and Cash Flow of the Company for the year ended 31<sup>st</sup> March, 2017 and the Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Mr. Sushil Rawka (DIN: 00156990), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider & if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), **M/s. M.S. Dahiya & Co.** Chartered Accountants (ICAI Firm Registration No013855C) be and is hereby appointed as the Statutory Auditors of the Company, in place of the existing auditors **M/s ABN & Co.**, Chartered Accountants (F.R.No004447C.) whose tenure being concluded at the ensuing annual general meeting and be rotated as per provisions of section 139 Of the Companies Act, 2013 to hold office for a term of one year from the conclusion of this Annual General Meeting, until the conclusion of the 33rd Annual General Meeting of the Company to be held on the year 2018 at such remuneration as shall be fixed by the Board of Director of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

**AS SPECIAL BUSINESS**

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

**“RESOLVED THAT** In accordance with the provisions of Sections 149 and 152 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendment(s) or modification(s) or re-enactments thereof for the time being or from time to time in force the members hereby accord their approval for the re-appointment of Mrs. Atithi Vora (DIN: 06899964) as the Director of the Company, liable to retire by rotation.

**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”.

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

**“RESOLVED THAT** in accordance with the provisions of Sections 151, 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 including any statutory amendment(s) or modification(s) or re-enactments thereof for the time being or from time to time in force, the members hereby accord their approval for the re-appointment of Mr. Saurabh Vora as the Whole-time Director and designated as the Executive Director of the Company for a period of 3 years w.e.f. 01/10/2017 on such terms and conditions as set out in the explanatory statement annexed to the notice convening this meeting.

**RESOLVED FURTHER THAT** the relations with Mr. Saurabh Vora and the Company shall be contractual as the Employee – Employers during his tenure as the Whole-time Director of the Company.

**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”.

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

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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 the Central Government if any as may be required the members hereby accord their approval for the re-appointment of Mr. Harsh Vora as the Managing Director of the Company for a further period From 29<sup>th</sup> October,2017 to 30<sup>th</sup> September, 2020 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. Harsh Vora as Managing Director of the Company the ofoesaid Remuneration shall be consider as the minimum remuneration payable by the company to the Managing Directors.

**RESOLVED FURTHER THAT** Mr. Harsh Vora shall not be subject to retirement by rotation during his tenure as Managing Director.

**RESOLVED FURTHER THAT** the relations with Mr. Harsh Vora and the Company shall be contractual as the Employee – Employers during his tenure as the Managing Director of the Company.

**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 orders of the Board**

**Place: Indore**  
**Date: 12<sup>th</sup> August, 2017**  
**D & H India Limited**  
CIN:L28900MH1985PLC035822  
Regd. Office: A – 204, Kailash Esplanade,  
Opposite Shreyas Cinema, L.B.S. Marg,  
Ghatkopar (West), Mumbai – 400086

**RAJESH SEN**  
**(COMPANY SECRETARY)**  
**FCS 7689**

**Note:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF, ON A POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding 50 [fifty] and holding in aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any such other person or shareholder. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting i.e. by 10.00 A.M. on Wednesday 27<sup>th</sup> Sept., 2017. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable.
2. The Register of Members and Share Transfer Books shall remain closed from 23<sup>th</sup> Sept., 2017 to 29<sup>th</sup> Sept., 2017 (both days inclusive) for the purpose of the annual general meeting.
3. The report on the Corporate Governance and Management Discussion and Analysis also form part to the report of the Directors.
4. Members seeking any information are requested to write to the Company by email at ho@dnhindia.comat least 7 days before the date of the AGM to enable the management to reply appropriately at the AGM.
5. Shareholders who have not yet claimed/ encashed their Dividend Warrants from the year 2009-10 to 2014-15 are advised to take steps to realize the same. **“The dividend for the year 2009-10, will be statutorily transferred by the Company to the Investor Education and Protection fund (IEPF) and the due date for such transfer is 5<sup>th</sup> Nov., 2017.”**
6. Shareholders who have not claimed/ encashed their Dividend Warrants for a consecutive period of seven years as on the cut off date 31<sup>st</sup> May, 2017 are liable to be transferred to the IEPF Authority under provisions of section 124 of the Companies Act, 2013 on such date as may be decided by the Ministry of Corporate Affairs.
7. Corporate members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Act are requested to send the Company a certified copy of Board Resolution / Authorization together with specimen signatures authorizing their representative to attend and vote on their behalf at the meeting.
8. Members holding shares in demat form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service [NECS], Electronic Clearing Services [ECS] mandates, nominations, power of attorneys, change in address, change of name, email address, contact numbers, etc. to their Depository Participant [DP]. Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agents to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Ankit Consultancy Private Limited, Registrar and Transfer Agents of the Company.
9. Notice of the Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to the members, whose email ids are registered with the Company and Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the Meeting is being sent through permitted mode.
10. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, Circulars, etc. from the Company electronically. Members may also note that the Notice of the Meeting and the Annual Report will also be available on the Company's website for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection at any time between 10:00 a.m. to 1:00 p.m. on any working day up to the date of Meeting. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any

communication, the shareholders may also send requests to the Company's investor email id ho@dnhindia.com.

11. Voting through electronic means: In compliance with provisions of section 108 of the Act and Rule 20 of The Companies [Management and Administration] Rules, 2014 and SEBI (LODR) Regulations, 2015, the Company is providing e-voting facility as an alternative mode of voting which will enable the members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services [India] Limited [CDSL] to facilitate e-voting. The detailed process, instructions and manner for availing e-Voting facility is annexed to the Notice
12. **CS. (Dr.) D. K. Jain**, of M/s D. K. Jain & Co., Company Secretaries [Membership No. FCS 3565 CP 2382] has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
13. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
14. Members can opt for only one mode of voting i.e. either by e-voting or poll paper. In case Members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Poll Paper shall be treated as invalid.
15. The e-voting period commences on **Tuesday 26<sup>th</sup> Sept., 2017 [9:00 a.m. (IST)] and ends on Thursday 28<sup>th</sup> September, 2017 [5:00 p.m. (IST)]**. During this period, Members holding shares either in physical form or demat form, as on **Friday 22<sup>nd</sup> September, 2017 i.e. cut-off date**, may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast vote again.
16. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. A person, whose names is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date only shall be entitled to avail facility of remote e-voting and poll process at the venue of the meeting.
17. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote after following the instructions for e-voting as provided in the Notice convening the Meeting, which is available on the website of the Company and CDSL. However, if you are already registered with CDSL for remote e-voting then you can use your existing User ID and password for casting your vote.
18. The Scrutinizer shall, immediately after the conclusion of voting at the meeting, would count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman, who shall countersign the same.
19. The results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited [BSE] where the equity shares of the Company are listed.

#### **REQUEST TO THE MEMBERS:**

- a) Intimate changes, if any, in their registered addresses immediately.
- b) Quote their ledger folio number in all their correspondence.
- c) Handover the enclosed attendance slip, duly signed in accordance with their specimen registered with the Company for admission to the meeting place.
- d) Bring their Annual Report and Attendance Slips with them at the AGM venue.
- e) Send their Email address to the Share Transfer Agent for prompt communication and update the same with their D.P. to receive softcopy of the Annual Report of the Company.



**20. Particulars of the directors seeking re-appointment at the ensuing annual general meeting**

Pursuant to the SEBI (LODR) Regulations, 2015 the profile of the Director proposed for re-appointment being given in the following statement:

Name and Designation of Appointee	Age / Qualification	Expertise/ Experience	Date of appointment	Other Directorship	No of shares held & %age	Interest relation with other directors
Mr. Harsh Vora Promoter (Managing Director)	55 Year Commerce graduate	More than 32 Year Experience in Management Planning and new Developments	06/12/1990	3	3,11,745 (4.21 %)	Father of Mr. Saurabh Vora WTD, Father in law of Mrs. Atithi Vora WTD and brother in law of Mr. Madhusudan Jain WTD
Mr. Sushil Rawka	65 Year Commerce graduate	He has experience in the field of Taxation	01/04/1995	Nil	63,300 (1.85%)	Nil
Mrs. Atithi Vora	29 Year CA	She has experience in the field of Taxation & finance	01/10/2014	Nil	50,000 (0.67 %)	Wife of Mr. Saurabh Vora WTD, Daughter in law of Mr. Harsh Vora Managing Director.
Mr. Saurabh Vora (Executive Director)	30 Year B Tech	He has rich Experience in production	01/10/2014	Nil	1,63,600 (2.21 %)	Husband of Mrs. Atithi Vora Director and Son of Mr. Harsh Vora, Managing Director.

**Instructions for e-Voting****The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on Tuesday, 26<sup>th</sup> September, 2017 from 9.00 a.m. (IST) and ends on Thursday 28<sup>th</sup> September, 2017 at 5.00 p.m.(IST) During this period shareholders<sup>1</sup> of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.

- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha -numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>▪ Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>▪ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>▪ If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

**NOTE: Please keep the sequence number in safe custody for future e-voting.**

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant D& H India Limited on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporate.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### **EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013**

##### **ITEM NO. 4:**

As per the provisions of Section 149(1) of the Act and SEBI (LODR) Regulations, 2015, the Company should have at least one woman director. Mrs. Atithi Vora was appointed as a Whole Time Director of the Company for a period of three year by the Board of Director at their meeting held on 12th August 2014 which was approved by the shareholders of the Company at their Annual General Meeting held on 30th September, 2014, therefore her tenure as whole Time Director shall be concluded on 30th September 2017. Mrs. Atithi Vora has informed the Company that it is not possible to spare time to fulfill the duties of Whole Time Directorship in the Company due to pre-occupation; however she has given her consent to act as a Director of the Company.

Keeping in view the above legal requirements and the expertise of Mrs. Atithi Vora in the finance and related field, the Nomination and Remuneration Committee of the Board at its meeting and the Board at their meeting held on 12th August, 2017 has considered and approved her re-appointed as the Director of the Company.

Sitting fees shall be payable to Mrs. Atithi Vora for attending the meetings of the Board or any Committee there of.

Mrs. Atithi Vora may be deemed to be concerned or interested, financially, to the extent of the Sitting fees as may be drawn by her during her tenure as the Director. Mr. Harsh Vora, Managing Director and Mr. Saurabh Vora, Whole-time Directors of the Company being her relatives, may also be deemed to be concerned or interested otherwise in the proposed resolution. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.4 of the Notice.

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

**ITEM NO. 5:**

Mr. Saurabh Vora was appointed as a Whole-time Director for a period of three years by the Board of Directors at their meeting held on 12th August 2014 which was approved by the Shareholders of the Company at their Annual General Meeting held on 30th September, 2014, therefore his tenure as Whole-time Director shall be concluded on 30th September, 2017. Mr. Saurabh Vora has given his consent to act as a Whole-time Director.

The Nomination and Remuneration Committee of the Board at its meeting and the Board at their meeting held on 12<sup>th</sup> August, 2017 has considered and approved his re-appointed as the Whole-time Director and be designated as the Executive Director of the Company on the remuneration as below:-

**1. Remuneration**

**Gross Salary & Perquisites : Maximum upto Rs. 15,00,000/- p.a.**

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,

**2. Other exempted benefits:**

In addition to above he shall be entitled for the following benefits, which shall not be considered as remuneration within the provisions of the Schedule V of the Companies Act, 2013:

- (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 completed in the employment, payable in each year as per rules of the Company.

**3. 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.

**4. Minimum Remuneration**

In the event of no profit or inadequacy of profits in any Financial Year, during the tenure of Mr. Saurabh Vora (DIN: 02750484) as Whole-time Director of the Company the aforesaid Remuneration as may be approved by the Members and as confirmed by the Board within the limit approved by the members, shall be consider as the minimum remuneration payable by the company to the director.

**5. Other Terms and Conditions:**

The other terms and conditions are below:

1. Mr. Saurabh Vora as Executive Director shall be entrusted with the management of the Company under the direction, superintendence and control of the Board of Directors of the Company.
2. His tenure as Director will not be affected by the alterations in the terms and conditions of his appointment.

3. The agreement may be terminated by Mr. Saurabh Vora (DIN: 02750484) by giving three months' advance notice and in case of short notice; he will deposit an amount of his salary for the period short of three months. However, if the Company wishes to remove him, it will be liable to pay compensation as per the provisions of the Companies Act, 2013.
4. The appointment of Mr. Saurabh Vora as the Director of the Company, liable to retire by rotation." Board/ Nomination and Remuneration Committee of the Company is authorized to alter, modify or null all or any of the components of the remuneration of Mr. Saurabh Vora, subject to the applicable provisions of the Companies Act, 2013 or as may be agreeable to Mr. Saurabh Vora.

No sitting fees shall be payable to Mr. Saurabh Vora for attending the meetings of the Board or any Committee thereof.

Mr. Saurabh Vora may be deemed to be concerned or interested, financially to the extent of the remuneration as may be drawn by him during his tenure in respect of his appointment as a Whole-time Director. Mr. Harsh Vora Managing Director and Mrs. Atithi Vora, Whole-time Directors of the Company who are his relatives and their other relatives, may be deemed to be concerned or interested otherwise in the appointment of Mr. Saurabh Vora. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

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

#### ITEM NO. 6:

Mr. Harsh Vora was re-appointed as Managing Director for a period of three years by the Board of Directors at their meeting held on 12th August 2014 which was approved by the Shareholders of the Company at their Annual General Meeting held on 30th September, 2014, therefore his tenure as Managing Director shall be concluded on 28th October, 2017.

Mr. Vora is a commerce graduate and having more than 32 years of experience in the industry. He is one of the core promoters of the Company and is key instrumental since the incorporation and the Company has grown under his dynamic leadership and strong management. Therefore, the Nomination and Remuneration committee of the Board at their meetings held on 12<sup>th</sup> August, 2017 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. Harsh Vora, would of immense benefit to the Company and accepted the recommendation/approval of the Nomination and Remuneration Committee at their meeting held on 12<sup>th</sup> August, 2017 and has approved re-appointment of Mr. Harsh Vora as Managing Director on the remuneration as below:-

#### 1. Remuneration

##### **Gross Salary & Perquisites : Maximum upto Rs. 5,00,000/- p.m.**

The Managing 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,

#### 2. Other exempted benefits:

In addition to above he shall be entitled for the following benefits, which shall not be considered as remuneration within the provisions of the Schedule V of the Companies Act, 2013:

- (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 up to 15 days for every one year completed in the employment, payable in each year as per rules of the Company,

### 3. 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 Managing Director and a Cell phone with internet facility.

As per the provisions of the Schedule V to the Companies Act, 2013, 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 197, 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 approval of the Central Govt. if any as may be required.

Your directors submit the following **Information pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 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 is growing under the dynamic leadership and control of Mr. Harsh Vora, the Managing Director and the past financial performance as well future projections are as under:

Particulars	2016-17 Actual	2015-16 Actual	2017-18 Projected	2018-19 Projected	2019-20 Projected
Gross Turnover (Domestic)	6760.38	7047.76	9271.39	11125.67	13350.80
Gross Turnover (Export)	0	0	24.00	50.00	100.00
Other Income	7.45	30.71	20.00	26.00	35.00
Total Turnover and Receipts	6767.84	7078.47	9315.39	11201.67	13485.80
Profits before Interest, Dep. & Tax	390.36	369.46	691.83	775.11	934.85
Interest	162.63	133.90	73.07	76.73	80.56
Depreciation	174.33	177.33	108.84	114.29	120.00
Tax	17.66	18.27	139.07	166.88	200.26
Net Profit after Tax	35.73	39.96	370.85	417.21	534.03
Cash Profits generated	210.07	217.28	479.69	531.50	654.03
Paid up Share Capital	740.00	740.00	740.00	1000.00	1000.00
Dividend (%)	Nil	Nil	10%	10%	10%
EPS (Face Value Rs.10/-)	0.48	0.54	5.00	4.17	5.34

#### II. Information about the appointee:

- (1) Mr. Harsh Vora, aged about 55 year, is a commerce graduate having more than 32 years of experience in the Company and he is the Managing Director of the Company since 1990 with his vision, your Company has come out with so many challenges in the domestic and international market and grown to this level. Mr. Vora is also one of the core promoter of the Company and is associated since the incorporation of the Company. His vision is to make your company within top 10 welding electrodes manufacturer and achieve turnover of Rs.100 Crore in the year 2017-18.

- (2) Mr. Harsh Vora was paid Rs. 62,58,912/- during the year 2016-2017.
- (3) N.A.
- (4) Mr. Vora being the Managing Director is managing whole of the affairs of the Company under the supervision of the Board of Directors. He is assisted by three whole-time director and the team of the qualified manager and engineers, technocrats. Mr. Vora 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 Crore.
- (5) It is proposed to pay him, Gross remuneration upto of Rs. 5,00,000/- p.m. during his tenure in the manner of Salary, allowances and other perks.
- (6) The Company is manufacturing Welding Electrodes and pioneer in the industry and listed with the BSE and the sound financial track records. There is no comparable data for matching the remuneration of the Managing 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. Harsh Vora needs to be considered.
- (7) Mr. Vora is the core promoter and holding 3,11,745 Equity Shares consisting 4.21 % of the paid up share capital in the Company and is not drawing any other benefits except the remuneration as the managing director and getting dividend together with the other members of the Company. Mr. Madhusudan Jain, Mrs. Atithi Vora and Mr. Saurabh Vora the Whole-time Directors are relatives of Mr. Harsh Vora.

### 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 years due to worldwide financial recession including India, the new manufacturing units could not be set up in the country as per projections, resulting, the demand, margin 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 reappointment of the Managing Director in accordance with the provisions of section 190 of the Companies Act, 2013.

The Board of Directors recommends the proposed resolution for your approval as Special Resolution. The draft of the agreement to be entered into with the Managing Director is available for inspection.

Mr. Harsh Vora, being the appointee may be considered as the financially interested in the resolution to the extent of his remuneration during the tenure of appointment and Mr. Madhusudan Jain, Mrs. Atithi Vora and Mr. Saurabh Vora Whole-time directors may be deemed to be interested otherwise being his relatives in this resolution.

**BY ORDER OF THE BOARD**

**RAJESH SEN**

**(COMPANY SECRETARY)**

**FCS7689**

**PLACE: INDORE**

**DATE: 12th August, 2017**

**D & H India Limited**

CIN: L28900MH1985PLC035822

A - 204, Kailash Esplanade,

Opposite Shreyas Cinema, L.B.S. Marg,

Ghatkopar (West), Mumbai – 400086

## BOARDS'S REPORT & MANAGEMENT DISCUSSION AND ANALYSIS

To  
THE MEMBERS OF  
D & H INDIA LIMITED

The Directors take pleasure in presenting the 32<sup>nd</sup> Annual Report together with the audited standalone and consolidated financial statements for the year ended 31<sup>st</sup> March, 2017 and the Management Discussion and Analysis has also been incorporated into this report.

### 1 HIGHLIGHTS OF PERFORMANCE

- Consolidated income for the year was Rs. 6037.67Lakh as compared to Rs. 6289.00 Lakh in the previous year, a decline of 4.00%.
- Consolidated net sales for the year was Rs. 6022.60Lakh as compared to Rs. 6256.27 Lakh in the previous year, a decline of 3.73%;
- Consolidated profit before tax for the year was Rs.48.61Lakh as compared to Rs. 47.36 Lakh in the previous year;
- Consolidated Profit after tax for the year was Rs. 29.04Lakh as compared to Rs. 29.10 Lakh in 2016.

### 2. FINANCIAL RESULTS

(Rs. In Lakh)

Particulars	Consolidated		Standalone	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Revenue from Operations (Net) and other income	6037.67	6289.00	6017.56	6268.26
Profit before Financial Cost & Depreciation	387.89	360.91	390.36	369.46
Financial Cost	162.70	133.96	162.63	133.90
Depreciation	176.58	179.59	174.33	177.33
Adjustment related to Fixed Assets (Net of Deferred Tax)	0.00	0.00	0.00	0.00
Profit Before Tax (PBT)	48.61	47.37	53.40	58.23
Provision for Tax	19.57	18.26	17.65	18.27
<b>Profit After Tax (PAT)</b>	<b>29.04</b>	<b>29.10</b>	<b>35.74</b>	<b>39.96</b>
<b>Less: Minority Interest</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Balance brought forward from previous year	1083.41	1054.27	1088.33	1048.38
Profit available for Appropriations	1112.50	1083.41	1124.07	1088.33
<b>Appropriations:</b>				
<b>Proposed Final Equity Dividend</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Tax on Equity Dividends	0.00	0.00	0.00	0.00
General Reserve	0.00	0.00	0.00	0.00
<b>Surplus carried to the next year's account</b>	<b>1112.50</b>	<b>1083.41</b>	<b>1124.07</b>	<b>1088.33</b>
<b>Earning Per Share</b>	<b>0.39</b>	<b>0.39</b>	<b>0.48</b>	<b>0.54</b>

### 3. DIVIDEND

In order to conserve the financial resources your directors regret their inability to declare any dividend for the financial year 2016-17. (Previous year Nil)

### 4. SHARE CAPITAL

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2017 was Rs. 740.00 Lakh divided into 74.00 Lakh equity shares of Rs. 10/- each. During the year under review, there were no change in the capital structure and the Company



has not issued shares with differential voting rights nor granted stock options nor sweat equity.

#### 4.1 Transfer of profits to reserves

During the year under review your company has not transferred any amount to the general reserves. (Previous year Nil)

#### 5. FINANCE

Cash and cash equivalent as at 31<sup>st</sup> March, 2017 was Rs. 109.94 Lakh (Previous year Rs. 133.36Lakh). The Company continues to focus on judicious management of its working capital. Receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

##### 5.1 Deposits

The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and there were no remaining unclaimed deposits as on 31<sup>st</sup> March, 2017. Further that it has not accepted any deposit in violation of the provisions of the Chapter V of the Companies Act, 2013.

##### 5.2 Particulars of loans, guarantees or investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements. In addition to the above, the Company has given advance against salary or otherwise to employees of the Company as per the terms of appointment and the Company's policy on which no interest was charged.

#### 6. ECONOMIC SCENARIO AND OUTLOOK

The low economic growth appears to have bottomed out and a gradual increase in economic activity is expected in 2017. The medium term to long term growth prospects look positive in view of the Government's determination to bring in reforms. For the year 2017, the economy is expected to grow at a higher rate than in 2016. The long term prospect for the economy is optimistic.

#### 7. CSR INITIATIVES

In view of the paid up capital, profits and turnover of the company during the previous three years, the Company does not fall under the provisions of the section 135 of the Companies Act, 2013 and the rules made there under.

#### 8. OCCUPATIONAL HEALTH & SAFETY (OH&S)

With regard to contractor safety, two key areas of focus identified were Facility Management for the contractors' employees and Equipment, Tools & Material Management. The Facility Management initiative was implemented to ensure adequate welfare facilities for contract labor such as washrooms with bathing facilities, rest rooms, availability of drinking water etc. The Equipment, Tools & Material Management program ensured that the tools used by contractors were safe. The process of screening of contractors was made more stringent to ensure that the contractors were aligned with the Company's objectives to ensure 'Zero Harm'.

#### 9. HUMAN RESOURCES

Many initiatives have been taken to support business through organizational efficiency, process change support and various employee engagement programs which have helped the Organization achieve higher productivity levels. A significant effort has also been undertaken to develop leadership as well as technical/functional capabilities in order to meet future talent requirement.

The Company's HR processes such as hiring and on-boarding, fair transparent online performance evaluation and talent management process, state-of-the-art workmen development process, and market aligned policies have been seen as benchmark practices in the Industry.

During the year under review, the following Human Resources initiatives received greater focus:

- Employer of Choice: Employees are encouraged to express their views and are empowered to work independently. Employees are given the opportunity to learn through various small projects which make them look at initiatives from different perspectives and thus provide them with a platform to become result oriented. This has helped greatly in overall development of the employee and has significantly arrested the attrition rate.
- Leadership Development: As a part of leadership development, talented employees have been seconded to the senior leadership team to mentor them and prepare them for the next higher role.

- Industrial Relations: The Company's Industrial Relations policy has been benchmarked by the manufacturing sector. The Company shares relevant business information with the Unions in order to enlighten them and make them sensitive towards business requirements. This has helped to build a healthy relationship and resolve issues through mutual dialogue.

## 10. RISK MANAGEMENT POLICY AND INTERNAL ADEQUACY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

### 10.1 Internal Control System

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

The Statutory Auditors have furnished their report in the Annexure B certifying the Internal Financial Control of the Company.

### 10.2 Vigil mechanism/Whistle Blower Policy

The Company has a vigil mechanism named vigil mechanism/whistle blower Policy to deal with instance of fraud and mismanagement, if any. The details of the Policy is explained in the Corporate Governance Report and also posted on the website of the Company [www.dnhindia.com](http://www.dnhindia.com)

## 11. CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY'S SUB-SIDIARIES

### 11.1 Statement of the Subsidiary and Associate Company

Pursuant to the Rule 9(5)(iv) of the Companies (Accounts) Rules, 2014 the following particulars being submitted for the Companies become Subsidiary, Associates or ceased pursuant to the provisions of section 2(6) of the Companies Act, 2013.

Name of the other Company	Position as on 1 <sup>st</sup> April, 2016	Date on which become as a Associate	Date on which ceased as a Associate	Reasons	Remarks
V & H Fabricators Pvt. Ltd.	Wholly Owned Subsidiary	07.07.2012	-	Entire shareholding held by the Company	10 Shares held by Mr. Harsh Vora as Nominee.
Commonwealth Mining Pvt. Ltd.	Associate	30.03.2013	-	Holding 50% of share capital	-

As on 31st March, 2017, the Company Commonwealth Mining Pvt. Ltd. is not carrying any business activities. The Company does not have joint venture Company at the beginning or any time during the year 2016-17.

### 11.2 Salient features of the financial statements of the subsidiary and Associate Company

In accordance with Section 129(3) of the Companies Act, 2013, the Company has prepared a consolidated financial statement of the Company which is forming part of the Annual Report. A statement containing salient features of the financial statements of the subsidiary and Associate Company is also given in the Form AOC-2 in the Annual Report as **Annexure F**.

### 11.3 Financial statements of the subsidiary companies

In accordance with third proviso of Section 136(1) of the Companies Act, 2013, the Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company, [www.dnhindia.com](http://www.dnhindia.com). Further, as per fourth proviso of the said section, audited annual accounts of the subsidiary company have also been placed on the website of the Company, [www.dnhindia.com](http://www.dnhindia.com). Shareholders interested in obtaining a copy of the audited annual accounts of the subsidiary company may write to the Company Secretary at the Company's registered office.

#### 11.4 Compliance of the Accounting Standards

The Consolidated and standalone financial statements are in compliance with the applicable accounting standards to the Company.

### 12. BOARD OF DIRECTORS, THEIR MEETINGS & KMPs

#### 12.1 Independent Directors

Independent director Mr. Surjit Singh (DIN 00654215) resigns from the Board of Director w.e.f. 7<sup>th</sup> February and Independent directors Mr. Basant Singh Johari, (DIN 00155715) passes away on February 13, 2017.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. Further that the Board has confirmed that all the independent directors meet the requirement of the independency during the year 2016-17.

#### 12.2 Executive directors and KMPs

The Company has four executive directors namely Mr. Harsh Vora (DIN: 00149287) as the Managing Director and Mr. Madhusudan Jain (DIN 00145329); Mr. Saurabh Vora (DIN: 00145329) and Mrs. Atithi Vora as the Whole-time directors and functioning as the Key Managerial Personnel's. Further that Mr. Rajesh Sen, Company Secretary and Mr. Sanat Kumar Jain, Chief Financial Officer (CFO) are the KMPs of the Company under the provisions of section 203 of the Companies Act, 2013. Further that there is no change in the KMPs during the year 2016-17.

#### 12.3 Directors seeking re-appointment

In accordance with the provisions of the Companies Act, 2013 and in terms of the Articles of Association Mr. Sushil Rawka (DIN 00156990) director retires by rotation and is eligible for re-appointment. Your directors recommend passing necessary resolution as set out in the Item No. 2 of the notice of the annual general meeting.

Mr. Harsh Vora, the Managing Director, Mrs. Atithi Vora and Mr. Saurabh Vora, Whole-time directors whose terms being expired in .Oct., 2017 and 30<sup>th</sup> Sept., 2017 respectively, are proposed for further re-appointment for a term of three years as set out in the Notice of the Annual General Meeting.

#### 12.4 Composition of the Board of Directors

The Chairman of the Board is Independent Director. The Company is having total 8 directors in the Board out of which 3 directors are Independent and the composition of the Board is in conformity with the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. During the year under review Independent Directors Mr. Surjit Singh (DIN 00654215) resigns from the Board of Director w.e.f. 7<sup>th</sup> February and Mr. Basant Singh Johari, (DIN 00155715) passes away on February 13, 2017. Except that there is no change in the composition of the Board of directors of the Company during the year 2016-17.

#### 12.5 Number of meetings of the Board

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The notice of Board meeting is given well in advance to all the Directors. The Agenda of the Board/Committee meetings is circulated at least a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision.

The Board met **4 (Four) times** in financial year 2016-17 viz., on 29<sup>th</sup> May, 2016, 6<sup>th</sup> August, 2016, 14<sup>th</sup> November 2016 and 7<sup>th</sup> Feb., 2017. The maximum interval between any two meetings did not exceed 120 days.

#### 12.6 Annual evaluation by the Board

The evaluation framework for assessing the performance of Directors comprises of the following key areas:

- i. Attendance of Board Meetings and Board Committee Meetings
- ii. Quality of contribution to Board deliberations
- iii. Strategic perspectives or inputs regarding future growth of Company and its performance

- iv. Providing perspectives and feedback going beyond information provided by the management
- v. Commitment to shareholder and other stakeholder interests

The evaluation involves Self-Evaluation by the Board Member and subsequently assessment by the Board of Directors. A member of the Board will not participate in the discussion of his/her evaluation.

### 13. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178, is appended as **Annexure E** to this Report and hosted at the website of the Company at [www.dnhindia.com](http://www.dnhindia.com).

### 14. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. that such accounting policies as mentioned in Note 2 of the Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March, 31<sup>st</sup> 2017 and of the profit of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### 15. COMMITTEES OF THE BOARD

During the year, in accordance with the Companies Act, 2013, the Board has the following five Committees as follows:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Risk management Committee
- (e) Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 redressal of complaint at the workplace

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

### 16. RELATED PARTY TRANSACTIONS

#### 16.1 Related Party transaction are not material and on arms length basis in the ordinary course of business

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

#### 16.2 Approval of the related party transactions by the Board and Audit Committee

All Related Party Transactions are placed before the Audit Committee as also the Board for approval. The

transactions entered into are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The statement is supported by a Certificate from the CEO &MD and the CFO. The Company has Policy for Related Party Transactions, Standard Operating Procedures for purpose of identification and monitoring of such transactions. The particulars of the related party transactions have been given in the Form AOC-2 and attached with this Report as **an Annexure F**.

### 16.3 Policy on the related party transactions

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. A disclosure as required under section 134(3)(h) of the Companies Act, 2013 and the Rule 8(2) of the Companies (Accounts) Rules, 2014 being enclosed as **Annexure F** with the Board's Report and hosted at the website of the Company at [www.dnhindia.com](http://www.dnhindia.com).

## 17. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future operations.

## 18. AUDITORS & COMMENTS ON THE OBSERVATION BY THE AUDITORS

### 18.1 Statutory Auditors Appointment and their Report

The Company's Auditors, M/s ABN & Co., Chartered Accountants, (F.R.No.004447C) who were appointed for a term of three years at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2014, therefore tenure of M/s ABN & Co., will be over on the conclusion of the ensuing annual general meeting and they will be rotate by another auditors. Board of Director proposed the appointment of M/s. M.S. Dahiya & Co., Chartered Accountants, Indore (F.R.No. 013855C) as Statutory Auditors of the Company for a term of 1 years. They have confirmed their eligibility under section 141(3) (g) of the Companies Act, 2013 and the Rules framed thereunder for appointment as Auditors of the Company. As required under SEBI (LODR) Regulations, 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Your Board is pleased to inform that there is no such observation made by the Auditors in their report for the year 2016-17 which needs any explanation by the Board.

### 18.2 Cost Auditors Appointment and their Report

Pursuant to provisions of section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its manufacturing activity is not required to be audited during the year 2016-17. Hence no appointment of the Cost Auditors for the year 2016-17 was made by the Company.

### 18.3 Secretarial Auditors Appointment and their Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s D K Jain & Co., a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit for the year 2016-17 is annexed herewith as **"Annexure B"**.

The Secretarial Audit Report for the year 2016-17 is self explanatory except the following observations made and the management submits their comments;

(a) *Form CHG- 1 has not been filed for the Auto Loans of Rs 20.00 Lakh, taken by the Company during the year under review.*

**Management Response to Point No. (a):** Your Company is law abiding entity, and filed the necessary forms & returns with the authorities. However, there were few delays which the management ensures to file the same in time. The Board is hopeful and committed to their level best to streamline the same in future.

## 19. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource

base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

## 20. CORPORATE GOVERNANCE

As per SEBI (LODR) Regulations, 2015, a separate section on corporate governance practices followed by the Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Report as **Annexure G**.

### 20.1 CEO & CFO certification

Certificate from Mr. Harsh Vora, Managing Director and Mr. Sanat Kumar Jain, Chief Financial Officer, pursuant to provisions of the SEBI (LODR) Regulations, 2015 for the year under review was placed before the Board of Directors of the Company at its meeting held on 29<sup>th</sup> May, 2017. A copy of the certificate on the financial statements for the financial year ended March, 31, 2017 is annexed along with this Report as **Annexure A**. Further that the Auditors Certificate on the Corporate Governance is annexed along with this Report as **Annexure A**.

## 21. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure C**".

## 22. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report a copy of the annexure may write to the Company Secretary at the Company's registered office.

## 23. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return for the year 2016-17 in form MGT-9 is annexed herewith as "**Annexure D**".

## 24. PARTICULARS OF REMUNERATION OF EMPLOYEES

The particulars of the remuneration to the directors pursuant to the section 197(12) of the Companies Act, 2013 read with the Rule 5(1) of the Companies (Appointment and Remuneration to the Managerial Personnel) Rules 2014 are enclosed as **Annexure E**.

## 25. ACKNOWLEDGMENTS

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge all stakeholders of the Company viz. customers, members, dealers, vendors, banks and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board

Place: Indore  
Date: 12th August, 2017

Harsh Vora  
Managing Director  
DIN 00149287

Sushil Rawka  
Director  
DIN 00156990

## ANNEXURE 'A'

CEO/CFO CERTIFICATION AS PER SEBI (LODR) REGULATIONS, 2015

- a. We have reviewed financial statements and the Cash Flow Statement for the year 2016-17 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.

Place: Indore  
Date: 29<sup>th</sup> May, 2017

Harsh Vora  
Managing Director /CEO  
DIN 00149287

Sanat Kumar Jain  
G.M. Finance/CFO

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members  
D&H INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by D & H India Limited for the year ended 31<sup>st</sup> March, 2017 as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the directors and management, we certify that the company has complied with the conditions of Corporate Governance applicable as aforesaid.

As required by the Guidance Note issued by the ICAI, on the basis of information and explanations given to us, we have to state that no investor grievances were pending for a period of one month.

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

PLACE: Indore  
DATE: 29<sup>th</sup> May, 2017

For, ABN & Co.  
Chartered Accountants  
Firm Regn. No.004447C  
B.M. Bhandari  
Partner  
Membership No. 071232

**ANNEXURE 'B'**  
**Form MR-3- Secretarial Audit Report**  
**For the Financial Year ended 31<sup>st</sup> March, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

D & H India Ltd.

A-204, 2<sup>nd</sup> Floor, Kailash Esplanade,

Opp. Shreyas Cinema, L.B.S. Marg,

Ghatkopar (W), Mumbai 400086

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **D & H India Ltd.** (hereinafter called "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **Financial Year ended on 31<sup>st</sup> March, 2017** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not applicable to the Company during the Audit Period);
- (v) (i) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011;
  - (b) The SEBI (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (ii) Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-
  - (a) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (b) The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (c) The SEBI (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The SEBI (Delisting of Equity Shares) Regulations, 2009; and
  - (e) The SEBI (Buyback of Securities) Regulations, 1998



We have relied on the representation made by the Company and its Officers for system and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is given in **Annexure I**. Further, the Company is having business of manufacturing of general engineering goods and no such specific law is applicable to the Company.

**We have also examined compliance with the applicable clauses of the following:**

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India under the provisions of Companies Act, 2013 and
- (ii) The SEBI (LODR) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations

- (a) *Form CHG- 1 has not been filed for the Auto Loans of Rs 20.00 Lacs, taken by the Company during the year under review.*

**We further report that**

The Board of directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or Committee of the Board, as the case may be.

Based on the records and process explained to us for compliances under the provisions of other specific acts applicable to the Company, we further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** the compliance by the Company for the applicable taxation Laws like Direct Taxes, Indirect Taxes and the compliance of the Accounting Standards, disclosure of the financial results under Regulation 33 of the SEBI (LODR) Regulations, 2015 and the annual financial statements along with notes attached therewith, and the Cost Record has not been reviewed by us, since the same have been subject to the statutory financial auditor or by other designated professionals.

This report is to be read with our letter of even date which is annexed as **Annexure II** and forms an integral part of this report.

**We further report that** during the audit period of the Company, there was no specific events/action having a major bearing on the Company's affairs in pursuant of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For, D.K. JAIN & CO.  
COMPANY SECRETARIES**

**CS (Dr.) D.K. JAIN  
PROPRIETOR**  
FCS 3565 CP 2382  
Place: Indore  
Date: 29/04/2017

**Annexure - I to the Secretarial Audit Report****List of other applicable laws to the Company under the major group and head**

1. Factories Act, 1948;
2. The Hazardous Waste (Management & Handling) Rules, 1989
3. Gas Cylinder Rules, 2004
4. The Static and Mobile Pressure (Unfired) Rules, 1981
5. The Trademark Act, 1999
6. Industries (Development & Regulation) Act, 1951
7. Standard Weight and Measurement Act, 1985
8. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on it payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
9. Acts prescribed under prevention and control of Pollution;
10. Acts prescribed under Environmental protection;
11. Acts as prescribed under Direct Tax and Indirect Tax
12. Labour Welfare Act of respective States.
13. Local laws as applicable to the Registered office and plants.
14. Other Economic and Misc Laws and Rules.

**Annexure - II to the Secretarial Audit Report**

To,  
The Members,  
D & H India Ltd.  
A-204, 2<sup>nd</sup> Floor, Kailash Esplanade,  
Opp. Shreyas Cinema, L.B.S. Marg,  
Ghatkopar (W), Mumbai 400086

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company and applicability of the various direct and indirect taxation on the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, D.K.JAIN & CO.**  
**COMPANY SECRETARIES**

**CS (Dr.) D.K.JAIN**  
**PROPRIETOR**  
FCS 3565 CP 2382  
Place: Indore  
Date: 29/04/2017

**ANNEXURE 'C'**  
**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS  
AND OUTGO**

*[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies Accounts) Rules, 2014]*

**(A) Conservation of energy**

S.No.	Particulars	
(i)	the steps taken or impact on conservation of energy;	The Company has installed LED lights, and alarming for wastage of lights at the plant and work stations.
(ii)	the steps taken by the company for utilizing alternate sources of energy;	The Company has installed the DG Sets and solar lights
(iii)	the capital investment on energy conservation equipments	Nil

**(B) Technology absorption**

(i)	the efforts made towards technology absorption	-
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	-
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year	Nil
	(a) the details of technology imported	Nil
	(b) the year of import	Nil
	(c) whether the technology been fully absorbed	Nil
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Nil
(iv)	the expenditure incurred on Research and Development	Nil

**(C) Foreign exchange earnings and Outgo**

		2016-17	2015-16
(i)	The Foreign Exchange earned in terms of actual inflows during the year;	18,70,290	Rs.19,70,216
(ii)	And the Foreign Exchange outgo during the year in terms of actual outflows.	2,51,42,678	Rs.9,42,74,773

**For and on behalf of the Board**

**Place: Indore**  
**Date: 12th August, 2017**

**Harsh Vora**  
**Managing Director**  
**DIN 00149287**

**Sushil Rawka**  
**Director**  
**DIN 00156990**

**ANNEXURE 'D'**  
**EXTRACT OF ANNUAL RETURN -FORM MGT - 9**  
**As on the financial year ended on 31<sup>st</sup> March, 2017**

[Pursuant to section 92 (3) of the  
*Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. Registration and Other Details**

CIN	L28900MH1985PLC035822
Registration Date	30/03/1985
Name of the Company	D & H India Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered Office and contact details	A-204, Kailash Esplanade , Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W), Mumbai -400086 Phone: 022-25006447 Email: ho@dnhindia.com
Whether listed company	Yes, With BSE Ltd.
Name, address and contact details of Registrar and Transfer Agent, if any	Ankit Consultancy Pvt. Ltd . Plot No. 60, Electronic Complex , Pardeshipura, Indore (M.P.) 452001, 0731 2551745, ankit_4321@yahoo.com

**II. Principal Business Activities of the Company**

All the Business Activities contributing 10% or more of the total turnover of the Company has been stated:

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Welding Consumables	319-3190-31908	99.99%

**III. Name and Address of the Holding, Subsidiary and Associate Companies:**

Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
V & H Fabricators Private Limited	U51226MP2005PTC017842	Subsidiary	100	2(87)
Commonwealth Mining Pvt. Ltd.	U14292MH2010PTC208622	Associate	50	2(6)

**IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as % of the total Equity)****i) Category-wise Shareholding**

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	2685430		2685430	36.29	2685430	-	2685430	36.29	0

b) Central Govt.	-	-	-	-	-	-	-	-	0
c) State Govt.(s)	-	-	-	-	-	-	-	-	0
d) Bodies Corporate	806000		806000	10.89	806000		806000	10.89	0
e) Banks / FI	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	0
<b>Sub-Total (A)(1):</b>	<b>3491430</b>		<b>3491430</b>	<b>47.18</b>	<b>3491430</b>		<b>3491430</b>	<b>47.18</b>	<b>0</b>
<b>(2) Foreign</b>									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	0
b) Other – Individuals	-	-	-	-	-	-	-	-	0
c) Bodies Corporate	-	-	-	-	-	-	-	-	0
d) Banks / FI	-	-	-	-	-	-	-	-	0
e) Any Other...	-	-	-	-	-	-	-	-	0
<b>Sub-Total (A)(2):</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Total Shareholding of Promoters (A) = (A)(1) + (A)(2)</b>	<b>3491430</b>		<b>3491430</b>	<b>47.18</b>	<b>3491430</b>		<b>3491430</b>	<b>47.18</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	2415	-	2415	0.03	2415	-	2415	0.03	0
b) Banks / FI	-	-	-	-	-	-	-	-	0
c) Central Govt.	-	-	-	-	-	-	-	-	0
d) State Govt.(s)	-	-	-	-	-	-	-	-	0
e) Venture Capital Funds	-	-	-	-	-	-	-	-	0
f) Insurance Companies	-	-	-	-	-	-	-	-	0
g) FIs	-	-	-	-	-	-	-	-	0
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	0
i) Others (specify)	-	-	-	-	-	-	-	-	0
<b>Sub-Total (B)(1):</b>	<b>2415</b>	<b>-</b>	<b>2415</b>	<b>0.03</b>	<b>2415</b>	<b>-</b>	<b>2415</b>	<b>0.03</b>	<b>0</b>
<b>(2) Non-Institutions</b>									
<b>a) Bodies Corporate</b>									
i) Indian	912724	7900	920624	12.44	826776	7900	834676	11.28	(1.16)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i) Individual Share holders holding nominal share capital upto Rs.2 lakh	1601574	4855254	2087099	28.20	1541083	481525	2022608	27.33	(0.87)
ii) Individual Share holders holding nominal share capital in excess of Rs.2 lakh	789056	54800	843856	12.44	963898	25800	989698	13.37	0.93

<b>c) Others (specify)</b>									
i) Shares held by Pakistani citizens vested with the Custodian of Enemy Property	-	-	-	-	-	-	-	-	0
ii) Other Foreign Nationals	-	-	-	-	-	-	-	-	0
iii) Foreign Bodies	-	-	-	-	-	-	-	-	0
iv) NRI / OCBs	9866	44700	54566	0.73	13523	4700	54566	0.79	0.06
v) Clearing Members / Clearing House	10	-	10	0	950	-	950	0	0.01
vi) Trusts	-	-	-	-	-	-	-	-	0
vii) LLP	-	-	-	-	-	-	-	-	0
viii) Foreign Portfolio Investor (Corporate)	-	-	-	-	-	-	-	-	0
ix) Qualified Foreign Investor	-	-	-	-	-	-	-	-	0
<b>Sub-Total (B)(2):</b>	<b>3313230</b>	<b>592925</b>	<b>3906155</b>	<b>52.82</b>	<b>3346230</b>	<b>559925</b>	<b>3906155</b>	<b>52.82</b>	<b>0</b>
<b>Total Public Share holding (B)=(B) (1)+ (B)(2)</b>	<b>3315645</b>	<b>592925</b>	<b>3908570</b>	<b>52.82</b>	<b>3346230</b>	<b>559925</b>	<b>3906155</b>	<b>52.82</b>	<b>0</b>
<b>Grand Total (A+B)</b>	<b>6800575</b>	<b>592925</b>	<b>7400000</b>	<b>100.0</b>	<b>6840075</b>	<b>559925</b>	<b>7400000</b>	<b>100.00</b>	<b>0</b>

## ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
CORNA INFRA LIMITED	806000	10.89	-	806000	10.89	-	-
HARSH KUMAR VORA (HUF)	673600	9.10	-	673600	9.10	-	-
SUCHITA KAKRECHA	537085	7.26	-	537085	7.26	-	-
PRIYA KAKRECHA	317500	4.29	-	317500	4.29	-	-
HARSH VORA	311745	4.21	-	311745	4.21	-	-
KIRAN VORA	193300	2.61	-	193300	2.61	-	-
SAURABH VORA	163600	2.21	-	163600	2.21	-	-
MADHUSUDAN JAIN	100500	1.36	-	100500	1.36	-	-
SOMU KAKRECHA	90000	1.22	-	90000	1.22	-	-
SUSHIL RAWKA	63300	0.86	-	63300	0.86	-	-
SATISH RAWKA	53600	0.72	-	53600	0.72	-	-
ATITHI VORA	50000	0.68	-	50000	0.68	-	-
SUHANI VORA	50000	0.68	-	50000	0.68	-	-
VENUS RAWKA	36500	0.49	-	36500	0.49	-	-
SIDDHARTH RAWKA	24400	0.33	-	24400	0.33	-	-
SAROJ RAWKA	20300	0.27	-	20300	0.27	-	-
<b>Total</b>	<b>3491430</b>	<b>47.18</b>	<b>-</b>	<b>3491430</b>	<b>47.18</b>	<b>-</b>	<b>-</b>

## iii) Change in Promoters' Shareholding (Please specify, if there is no change)

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
At the beginning of the year	3491430	47.18		
Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/ bonus/ sweat equity etc):	0	0	0	0
At the end of the year			3491430	47.18

## iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters &amp; Holders of GDRs &amp; ADRs)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year		Changes during the year					Reason
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company	Date	No. shares before Change	No. shares After Change	Increase	Decrease	
RAJASTHAN GLOBAL SECURITIES PVT.LTD.	363737	4.92	360816	4.88	18/11/16	363737	360816	-	2921	sale
BHAGYALAXMI FISCAL (INDIA) PVT. LTD.	320000	4.32	320000	4.32	-	-	-	-	-	-
SUJANMAL VORA	203690	2.75	203690	2.75	-	-	-	-	-	-
DHIRAJ KUMAR LOHIA	183058	2.47	183384	2.48	28/10/16	183058	196940	13882	-	acquire
					25/11/16	196940	200394	3454	-	acquire
					06/01/17	200394	183384	-	17010	sale
PARASMAL BAM	115325	1.56	115325	1.56	-	-	-	-	-	-
LINCOLN P COELHO	60000	0.81	60000	0.81	-	-	-	-	-	-
CAMEL FOODS PVT.LTD.	53122	0.72	18033	0.24	28/10/16	53122	38950	-	14172	sale
					18/11/16	38950	28120	-	10830	sale
					06/01/17	28120	18033	-	10087	sale
RAJ KUMAR LOHIA	48094	0.65	48094	0.65	-	-	-	-	-	-
O P CHUGH	47241	0.64	51541	0.70	17/06/16	47241	47541	300	-	acquire
					08/07/16	47541	51541	4000	-	acquire
AMAN VORA	44800	0.61	44800	0.61	-	-	-	-	-	-
GHANSHAYAM N GAJJAR	NOT IN LIST	0	40000	0.54%	17/02/17	0	40000	40000	-	acquire

Note: Details of the change in shareholding for less than 2% has been merged in the above said statement and increase/decreased is only shown for more than 2%. Further that the dates of changes has been taken as per information's made available by the share transfer agent based on the banpost.

## v) Shareholding of Directors and Key Managerial Personnel

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>Mr. Harsh Vora, Managing Director</b>				
At the beginning of the year	311745	4.21		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			311745	4.21
<b>Mr. Madhusudan Jain, Whole-time Director</b>				
At the beginning of the year	100500	1.36		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			100500	1.36
<b>Mr. Saurabh Vora, Whole-time Director</b>				
At the beginning of the year	163600	2.21		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc): on dated 30.03.2015.			-	-
At the end of the year			163600	2.21
<b>Mrs. Atithi Vora</b>				
At the beginning of the year	50000	0.68		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			50,000	0.68
<b>Mr. Sushil Rawka, Non Executive Director</b>				
At the beginning of the year	63300	0.86		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			63300	0.86
<b>Mr. Sanat Kumar Jain, CFO</b>				
At the beginning of the year	400	0.005		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-



At the end of the year			400	0.005
<b>Mr. Rajesh Sen, Company Secretary</b>				
At the beginning of the year	Nil	Nil		
Date wise Increase/Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc):	-	-	-	-
At the end of the year			Nil	Nil

**IV. INDEBTNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,23,79,792	1,69,00,000	0	7,92,79,792
ii) Interest due but not paid	0	20,69,383	0	20,69,383
iii) Interest accrued but not due	3,49,284		0	3,49,284
<b>Total (i+ii+iii)</b>	<b>6,27,29,076</b>	<b>1,89,69,383</b>	<b>0</b>	<b>8,16,98,459</b>
<b>Change in Indebtedness during the financial year</b>	0		0	
Addition	1,87,62,044	2,82,25,585	0	4,69,87,629
Reduction	1,42,70,542	3,54,21,122	0	4,96,91,664
<b>Net Change</b>	<b>44,91,502</b>	<b>-71,95,537</b>	<b>0</b>	<b>-27,04,035</b>
<b>Indebtedness at the end of the financial year</b>	0			
i) Principal Amount	6,69,76,945	1,00,78,751	0	7,70,55,696
ii) Interest due but not paid	0	16,95,095	0	1,69,5,095
iii) Interest accrued but not due	2,43,633	0	0	2,43,633
<b>Total (i+ii+iii)</b>	<b>6,72,20,578</b>	<b>1,17,73,846</b>	<b>0</b>	<b>7,89,94,424</b>

**VI. REMUNERATION OF DIRECTOR AND KMP**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particular of Remuneration	Mr. Harsh Vora Managing Director	Mr. Madhusudan Jain, Whole-time Director	Mr. Saurabh Vora, Whole-time Director	Mr. Atithi Vora, Whole-time Director	Total
<b>1</b>	Gross Salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	62,58,912	51,68,115	8,40,000	8,40,000	1,31,07,027
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0	0	0

(c) Profits in lieu of salary under Section 17(3) Income Tax Act,1961	0	0	0		0
2 Stock Options	0	0	0		0
3 Sweat Equity	0	0	0		0
4 Commission					
- as % of profit	0	0	0		0
others, specify...	0	0	0		0
5 Others, please specify					
<b>Total</b>	<b>62,58,912</b>	<b>51,68,115</b>	<b>8,40,000</b>	<b>8,40,000</b>	<b>1,31,07,027</b>
Ceiling as per the Act	*1,18,12,062	*94,09,552	@42,00,000	@42,00,000	1,31,07,027

\* As per approval of the Central Government

@ as per minimum permissible limit under Schedule V of the Companies Act, 2013

#### B. Remuneration to other Directors:

##### 1. Independent Directors: No remuneration was paid to independent directors

S. No.	Particular of Remuneration	Mr. Basant Singh Johari	Mr. J C Kapur	Mr. Surjit Sing	Mr. Sunil Kathariya	Mr. B Gupta Eshanya	Total
1	-Fee for attending Board/Committee Meetings	30,000	10,000	20,000	30,000	40,000	1,30,000
2	-Commission	-	-	-			-
3	- Others, please specify	-	-	-			-
	<b>Total B.1</b>	<b>30,000</b>	<b>10,000</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>1,30,000</b>

##### 2. Other Non Executive Directors: No remuneration was paid to independent directors

S. No.	Particular of Remuneration	Mr. Sushil Rawka	Total
1	-Fee for attending Board/Committee Meetings	40,000	40,000
2	-Commission	-	-
3	- Others, please specify	-	-
	<b>Total B.2</b>	<b>40,000</b>	<b>40,000</b>
	<b>Total (B1+B2)</b>		<b>1,70,000</b>
	<b>Total Managerial Remuneration</b>		<b>1,32,77,027</b>
	<b>Over all Ceiling as per the Act</b>		<b>1,32,77,027</b>

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

S. No.	Particular of Remuneration	Mr. Rajesh Sen, CS	Mr. Sanat Kumar Jain CFO	Total
<b>1</b>	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,56,992	15,56,992	19,13,984
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	0	0	0
<b>2</b>	Stock Options	0	0	0
<b>3</b>	Sweat Equity	0	0	0
<b>4</b>	Commission			
	- as % of profit	0	0	0
	- others, specify....	0	0	0
<b>5</b>	Others, please specify	0	0	0
	<b>Total C</b>	<b>3,56,992</b>	<b>15,56,992</b>	<b>19,13,984</b>

## VII. PENALTY/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	AUTHORITY [RD / NCLT / COURT]	Appeal made, if any(give details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTOR</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICER IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board

Place: Indore  
Date: 12th August, 2017

Harsh Vora  
Managing Director  
DIN 00149287

Sushil Rawka  
Director  
DIN 00156990

## Annexure E

**Company's policy on Directors' appointment and remuneration**

The Policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub-section (3) of section 178. The Nomination and Remuneration Committee, along with the Board, revives on an annual basis, appropriate skills, characteristics and experience required by the Board as a whole, its individual members and Senior Management personal. The objective is to have a Board with diverse background and experience in business, Government, academics, technology and in areas that are relevant for the Company operation.

In evaluating the suitability of Individual Board members, the Nomination and Remuneration Committee shall take in to account many factors including general understanding of the company's business, dynamics and Social perspective, educational and professional background, experience and personal achievements. Directors must possess relevant experience at policy making and also at operational levels in any organization with significant activities that will indicate their ability to make meaningful contribution to the Boards discussion & decision making. Directors should possess the highest personal and professional ethics, integrity and values. They should be able to balance the interests and concerns of all companies' stakeholders in arriving at decisions. In addition, Directors must be willing to devote sufficient time & energy in carrying out their duties and responsibilities. They must have the aptitude to evaluate managements working as a part of a team in an environment of collegiality and trust. The Nomination and Remuneration committee evaluates each individual with the objective of having a group that best enable the success of companies business.

**PARTICULARS OF EMPLOYEES:-**

The applicable information required pursuant to Section 197 of the Companies Act, 2013 read with Rule (5) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 in respect of the employees are as under. I. & ii The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary, during the Financial year 2016-17, ratio of the remuneration of each Director to the median remuneration of employees of the Company for the Financial year 2016-17 are as under:

Sr. No.	Name	Remuneration of Director/KMP for the FY 2016-17	% increase in remuneration in the FY 2016-17	Ratio of Remuneration of each Director to median remuneration of employees
1	Mr. Harsh Vora Managing Director	62,58,912/-	-38.73	31.14
2	Mr. Madhusudan Jain Executive Director	51,68,115/-	-38.19	25.71
3	Mr. Saurabh Vora Executive Director	8,40,000/-	0	4.17
4	Mrs. Atithi Vora Executive Director	8,40,000/-	0	4.17
5	Sanat Kumar JainCFO	15,56,992/-	0	N.A.
6	Rajesh Sen, CS	3,56,992/-	0	N.A.

- iii. The median remuneration of employees of the Company during the financial year was 2.01 Lac.
- iv. In the financial year, there was an increase of average 13.56%, in the median remuneration of employees.
- v. The number of permanent employees on the roll of the company is 144 Employees.
- vi. The Price earnings ratio as at 31.03.2017 is 42.08 and 31.03.2016 was 32.02
- vii. There is no employee receiving remuneration in excess of the highest paid director.
- viii. All the components of the remuneration are fixed and no components are variable.
- ix. The remuneration paid to Working Directors are as per Schedule V of the Companies Act, 2013 and/or the approval of the Central Gov., as the case may be and as per remuneration policy of the Company.

The information for remuneration paid in excess of Rs. 102.00 Lakh in the year or Rs. 8.50 Lakh p.m. for the part of the years required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 in respect of the employees are not applicable as none of the employee is drawing the remuneration in excess of the aforesaid limits.

**For and on behalf of the Board**

**Place: Indore**  
Date: 12th August, 2017

**Harsh Vora**  
Managing Director  
DIN 00149287

**Sushil Rawka**  
Director  
DIN 00156990

## ANNEXURE 'F'

## Particulars of contracts/arrangements entered into by the company with related parties

## Form AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013

## Details of contracts or arrangements or transactions not at arm's length basis

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements/ transactions (b)	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Justification for entering into such contracts or arrangements or transactions (e)	Date of approval by the Board (f)	Amount paid as advances , if any (g)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188 (h)
NOT APPLICABLE							

## 2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship (a)	Nature of contracts/ arrangements / transactions (b)	Duration of the contracts / arrangements / transactions (c)	Salient terms of the contracts or arrangements or transactions including the value, if any (d)	Date(s) of approval by the Board, if any (e)	Amount paid as advances, if any (f)
Vora Wire Industries Ltd.(Mr. Harsh Vora Interested through his relative)	For sale purchase, or supply of goods or services	1 year	Transaction on Arm's length prices Rs.5 Cr	29.05.2017	Nil
Corna Infra Limited (Mr. Madhusudan Jain Interested)	Unsecured Loan Ta	1 Year	Transaction on Arm's length prices Rs.5 Cr	29.05.2017	Nil

For and on behalf of the Board

Place: Indore  
Date: 12th August, 2017

Harsh Vora  
Managing Director  
DIN 00149287

Sushil Rawka  
Director  
DIN 00156990

## ANNEXURE G. CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2017

### **COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

D & H India Limited's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices, most of which were implemented before they were mandatorily prescribed. Integrity, transparency, accountability and compliance with laws which are the columns of good governance are cemented in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and at the Management level. The Company's Code of Business Conduct, its Fraud Risk Management Policy and its well structured internal control systems which are subjected to regular assessment for its effectiveness, reinforces integrity of Management and fairness in dealing with the Company's stakeholders. This, together with meaningful CSR activities and sustainable development policies followed by the Company has enabled your Company to earn the trust and goodwill of its investors, business partners, employees and the communities in which it operates.

Your Company has complied with the requirements of Corporate Governance as laid down under SEBI (LODR) Regulations, 2015;

### **GOVERNANCE STRUCTURE**

D & H India Limited's Governance structure broadly comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. This layered structure brings about a harmonious blend in governance as the Board sets the overall corporate objectives and gives direction and freedom to the Management to achieve these corporate objectives within a given frame work, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

#### **Board of Directors**

The Company's Board plays a pivotal role in ensuring that the Company runs on sound and ethical business practices and that its resources are utilized for creating sustainable growth and societal wealth. The Board operates within the framework of a well defined responsibility matrix which enables it to discharge its fiduciary duties of safeguarding the interest of the Company; ensuring fairness in the decision making process, integrity and transparency in the Company's dealing with its Members and other stakeholders.

#### **Committee of Directors**

With a view to have a more focused attention on various facets of business and for better accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee. Each of these Committees has been mandated to operate within a given framework.

#### **Management Structure**

Management Structure for running the business of the Company as a whole is in place with appropriate delegation of powers and responsibilities. This broadly is as under:

##### **a. Chairman & Managing Director**

The Chairman and Managing Director is in overall control and responsible for the day-to-day working of the Company. He gives strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various committees.

**b. Executive Director Plant, Marketing & Finance and Accounts-** The Whole-time Director is looking into the Plant is responsible for operation and maintenance of the plant and all other functions relating to the day-to-day management of the plant, including all local issues and compliances as applicable at plant level. He is also looking into the marketing, accounts and finance department and reports to the Chairman & Managing Director.

**BOARD OF DIRECTORS****Composition of the Board as on March31, 2017**

Category	No. of Directors
Non Executive& Independent Directors	3
Other Non Executive Directors	1
Managing Director &Executive Directors	4

The Chairman of the Board of Directors is the Non Executive Chairman.

As required under Section 149(3) of the Companies Act, 2013, Mrs. Atithi Vora, is a woman Director on the Board.

**Directors' Profile**

The Board of Directors comprises highly renowned professionals drawn from diverse fields. They bring with them a wide range of skills and experience to the Board, which enhances the quality of the Board's decision making process. The brief profile of the Company's Board of Directors is as under:

**Mr. Harsh Vora:** Mr. Harsh Vora aged 54 year is a commerce graduate and having more than 32 years of experience in the industry. He is one of the core promoters of the Company and is key instrumental since the incorporation of the Company and the Company has grown under his dynamic leadership and strong management.

**Mr. Madhusudan Jain:** Mr. Madhusudan Jain aged 51 year is a Mechanical Engineer and having more than 27years of experience in the Industry and he is the Whole Time Director of the Company since 2004 with his Vision Company has come out so many challenges in the domestic and international market and grown to this level. He is one of the core promoters of the Company.

**Mr. Saurabh Vora:** Mr. Saurabh Vora aged 30 year, is a B Tech and having 7 year experience in the field of production.

**Mrs. Atithi Vora:** Mrs. Atithi Vora aged 29 year, is a CA and having experience in the field of Taxation & Finance.

**Mr. Sushil Rawka:** Mr. Sushil Rawka aged 65 year, is a Commerce Graduate and having experience in the field of Taxation.

**Mr. Jagdish Chand Kapur:** Mr. Jagdish Chand Kapur aged 91 year, is a B. Sc. Engineer and having rich experience in the Industry.

**Mr. Eshanya B Gupta:** Mr. Eshanya B Gupta aged 41 year, is a MBA (Finance) and having experience in the field of Finance & Taxation.

**Mr. Sunil Kathariya:** Mr. Sunil Kathariya aged 57 year, is a BE (MECH), PGDBM and having experience in the various field.

**Board Training and Induction**

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI (LODR) Regulations, 2015 and other relevant regulations and his affirmation taken with respect to the same.

By way of an introduction to the Company, the Director is presented with a book on the Company which traces its history over 32years of its existence, relevant Annual Reports, activities pursued by the Company. Further, with a view to familiarize him with the Company's Operations, the Director is also invited to visit the plant manufacturing process, detailed presentations giving an over achieving perspective of the Welding industry organizational set up of the Company, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The MD also has a one-to-one discussion with the newly appointed Director. The above initiatives help the Director to understand the Company, its business and the regulatory frame work in which the Company operates and equips him to effectively fulfill his role as a Director of the Company.

**Other Relevant Details of Directors as on 31.03.2017:**

Name of the Director	Date of Appointment	Category	Number of directorship held in Indian Public Co. including this Co.	Committee Position	
				Member	Chairman
Mr. Harsh Vora	06.12.1990	Managing Director	2	0	0
Mr. Madhusudan Jain	24.01.2004	Whole-time Director	2	1	0
Mr. Saurabh Vora	01.10.2014	Whole-time Director	1	0	0
Mrs. Atithi Vora	01.10.2014	Whole-time Director	1	1	0
Mr. Sushil Rawka	01.04.1995	Director	1	2	1
Mr. Jagdish C. Kapur	11.08.2003	Independent Director	1	4	1
Mr. Sunil Kathariya	15.05.2015	Independent Director	1	3	1
Mr. Eshanya B Gupta	15.05.2015	Independent Director	1	2	1

**Board Meetings held during the Year 2016-17**

Date on which the Board Meetings were held	Total Strength of the Board	No of directors present
29 <sup>th</sup> May, 2016	10	10
6 <sup>th</sup> August, 2016	10	8
14 <sup>th</sup> November, 2016	10	7
7 <sup>th</sup> Feb, 2017	10	5

**Attendance of Directors at Board Meetings and Annual General Meeting**

Name of Director	Date of the Board Meetings				Date of AGM
	29.05.2016	06.08.2016	14.11.2016	07.02.2017	30.09.2016
Mr. Harsh Vora	Yes	Yes	Yes	Yes	Yes
Mr. Madhusudan Jain	Yes	Yes	Yes	No	Yes
Mr. Saurabh Vora	Yes	Yes	Yes	Yes	No
Mrs. Atithi Vora	Yes	Yes	No	No	No
Mr. Sushil Rawka	Yes	Yes	Yes	Yes	No
Mr. Jagdish C. Kapur	Yes	No	No	No	No
Mr. Basant S. Johari	Yes	Yes	Yes	No	No
Mr. Surjit Singh	Yes	Yes	No	No	No
Mr. Sunil Kathariya	Yes	No	Yes	Yes	Yes
Mr. Eshanya B Gupta	Yes	Yes	Yes	Yes	Yes

The Companies Act, 2013 read with the relevant rules made thereunder, now facilitates the participation of a Director in Board/Committee Meetings through videoconferencing or other audio visual mode. Accordingly, the option to participate in the Meeting through videoconferencing was made available for the Directors except in respect of such Meetings/Items which are not permitted to be transacted through videoconferencing.

The Board periodically reviews the items required to be placed before it and in particular reviews and approves quarterly/half yearly unaudited financial statements and the audited annual financial statements, corporate strategies, business plans, annual budgets, projects and capital expenditure. It monitors overall operating performance and reviews such other items which require Board's attention. It directs and guides the activities of the Management towards the set goals and seeks accountability. It also sets standards of corporate behavior,



ensures transparency in corporate dealings and compliance with laws and regulations. The Agenda for the Board Meeting covers items set out as guidelines in SEBI (LODR) Regulations, 2015 to the extent these are relevant and applicable. All agenda items are supported by relevant information, documents and presentations to enable the Board to take informed decisions.

**Selection and Appointment of Director:**

The Nomination & Remuneration Committee have approved a Policy for the Selection, Appointment and Remuneration of Directors. In line with the said Policy, the Committee facilitates the Board in identification and selection of the Directors who shall be of high integrity with relevant expertise and experience so as to have well diverse Board. The abstract of the said Policy forms part of the Directors' Report. Directors are appointed or re-appointed with the approval of the shareholders and shall remain in office in accordance with the provisions of the law and the retirement policy laid down by the Board from time-to-time. The Managing Director and all the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically provided under the Articles of Association or under any statute.

As required under Regulation 46(2)(b) of the Listing Regulations, the Company has issued formal letters of appointment to the Independent Directors. The terms & conditions of appointment of their appointment are posted on the Company's website and can be accessed at [www.dnhindia.com](http://www.dnhindia.com)

**Agenda Items and details relating thereto:**

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated separately or placed at the meeting) to enable the Board and respective committees to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the consent of majority of directors including at least one Independent Director. Agenda papers are circulated seven days prior to the Board and committee meetings. In addition, for any business exigencies, the resolutions are passed by circulation and later placed at the subsequent Board/Committee Meeting for taken on record and minutise.

**Invitees & Proceedings:**

Apart from the Board members, Company Secretary and the CFO which are available for assistances. However, Heads of Manufacturing and Marketing and other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board/Committee. The CFO makes presentation on the quarterly and annual operating & financial performance and on annual operating & capex budget. The Managing Director and other senior executives make presentations on progress, operational health & safety and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at their respective committee meetings, which are generally held prior to the Board meeting.

**Post Meeting Action:**

Post meetings, all important decisions taken at the meeting are communicated to the concerned officials and departments. Action Taken Report is prepared and reviewed periodically by the Managing Director and Company Secretary for the action taken / pending to be taken.

**Support and Role of Company Secretary:**

The Company Secretary is responsible for convening the Board and Committee meetings upon the directions of the Chairman. Secretary is also doing preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance to the Board and the Management on compliance and governance aspects.

**Induction and Familiarization Program for Directors:**

On appointment, the concerned Director is issued a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Managing Director, Committee Members and other Functional Heads on the Company's manufacturing, marketing, finance and other important aspects. The Company Secretary briefs the Director about their legal and regulatory responsibilities as a Director. On the matters of specialized nature, the Company engages outside experts/consultants for presentation and discussion with the Board members. The details of familiarization program can be accessed from the website: [www.dnhindia.com](http://www.dnhindia.com)

#### Code of Conduct:

The Board of Directors has laid down a Code of Conduct for Business and Ethics (the Code) for all the Board members and all the employees in the management grade of the Company. The Code covers amongst other things the Company's commitment to honest & ethical personal conduct, fair competition, corporate social responsibility, sustainable environment, health & safety, transparency and compliance of laws & regulations etc. The Company believes in "Zero Tolerance" to bribery and corruption in any form and in line with our governance philosophy of doing business in most ethical and transparent manner, the Board has laid down an "Anti Bribery and Corruption Directives", which is embedded to the Code. The Code of Conduct is posted on the website of the Company. All the Board members and senior management personnel have confirmed compliance with the code.

#### Prevention of Insider Trading Code:

As per SEBI (Prohibition of Insider Trading) Regulation, 2015, the Company has adopted a Code of Conduct for Prevention of Insider Trading. All the Directors, concerned employees and third parties such as auditors, consultants etc. who could have access to the unpublished price sensitive information of the Company are governed by this code. The trading window is closed during the time of declaration of financial results and occurrence of any material events as per the code. The Company has appointed Mr. Rajesh Sen, Company Secretary as Compliance Officer, for setting forth procedures of the code for trading in Company's securities. During the year under review there has been due compliance with the said code.

#### Disclosure of Relationship between Directors inter-se:

Name	Relationship	Name of other Directors in inter-se relationship
Mr. Harsh Vora	Father	Mr. Saurabh Vora
Mr. Harsh Vora	Father-in- law	Smt. Atithi Vora
Mr. Harsh Vora	Brother in Law	Mr. Madhusudan Jain
Mr. Saurabh Vora	Son	Mr. Harsh Vora
Mr. Saurabh Vora	Spouse	Smt. Atithi Vora
Smt. Atithi Vora	Spouse	Mr. Saurabh Vora
Smt. Atithi Vora	Daughter-in- law	Mr. Harsh Vora
Mr. Madhusudan Jain	Brother in Law	Mr. Harsh Vora

#### No. of Shares held by Non- Executive Director

Name	No. of Shares held
Mr. Sushil Rawka	63300

**A) Pecuniary relationship of transaction of Non- Executive director:** NIL

**B) Non- executive director's payment criteria:** The Non- executive directors of the company are only given Setting fess as decided by Board for attending the Board meeting and audit committee during the financial year 2016-17.

#### COMMITTEES OF THE BOARD

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship

Committee, Nomination and Remuneration Committee, Risk Management Committee and Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 redressal of complaint at the workplace .

The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. Meetings of each of these Committees are convened by the respective Chairman of the Committee, who also informs the Board about the summary of discussions held in the Committee Meetings. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

#### **(a) Audit Committee - Mandatory Committee**

##### **- Terms of reference**

The Board has constituted a well-qualified Audit Committee. Maximum members of the Committee are Non-Executive Directors with majority of them are Independent Directors including Chairman. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. The Company Secretary acts as secretary to the committee.

The Audit Committee has adequate powers and detailed terms of reference to play effective role as required under the provisions of section 149 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 entered into with the Stock Exchanges.

The terms of reference of the Audit Committee are as per the guidelines set out in the listing regulations read with section 177 of the Companies Act, 2013. These broadly includes

- (i) Develop an annual plan for Committee
  - (ii) review of financial reporting processes,
  - (iii) review of risk management, internal control and governance processes,
  - (iv) discussions on quarterly, half yearly and annual financial statements and the auditor's report,
  - (v) interaction with statutory, internal and cost auditors to ascertain their independence and effectiveness of audit process,
  - (vi) recommendation for appointment, remuneration and terms of appointment of auditors and
  - (vii) Risk management framework concerning the critical operations of the Company.
- In addition to the above, the Audit Committee also reviews the following:
- (i) Matter included in the Director's Responsibility Statement.
  - (ii) Changes, if any, in the accounting policies.
  - (iii) Major accounting estimates and significant adjustments in financial statement.
  - (iv) Compliance with listing and other legal requirements concerning financial statements.
  - (v) Subject to review by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus or specific approval given.
  - (vi) Qualification in draft audit report.
  - (vii) Scrutiny of inter-corporate loans & investments.
  - (viii) Management's Discussions and Analysis of Company's operations.
  - (ix) Valuation of undertakings or assets of the company, wherever it is necessary.
  - (x) Periodical Internal Audit Reports and the report of Ethical View Reporting Committee (Fraud Risk Management Committee).
  - (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
  - (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
  - (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgment by the management.
  - (xiv) Recommend to the Board, the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors, Secretarial Auditors, considering their independence and effectiveness, and recommend the audit fees.
  - (xv) Recommend to the Board, the appointment and remuneration of the CFO and Internal Auditors.

(xvi) Annual General Meeting to answer the shareholder's queries.

(xvii) **D. Invitees / Participants:**

1. The CFO are the permanent invitees to all Audit Committee meetings.
2. Head of Internal Audit department attends all the Audit Committee Meetings as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that come up during discussions.
3. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.
4. The representatives of the Cost Auditors and Secretarial Auditors have attended 1(one) Audit Committee Meeting when the Cost Audit Report and Secretarial Audit Report were discussed.

(xviii) **E. Private Meetings:**

(xix) In order to get the inputs and opinions of the Statutory Auditors and the Internal Auditors, the Committee also held one separate one-to-one meeting during the year with the Statutory Auditor and Head of Internal Audit department but without the presence of the M.D. and the management representatives.

The composition of the Audit Committee as at 31<sup>st</sup> March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Audit Committee meeting held			
		29.05.2016	05.08.2016	14.11.2016	07.02.2017
Mr. Surjit Singh	ID/Chairman	Yes	Yes	No	No
Mr. Jagdish C. Kapur	ID/Member	Yes	No	No	No
Mr. Sushil Rawka	D/Member	Yes	Yes	Yes	Yes
Mrs. Atithi Vora	WTD/ Women	Yes	Yes	No	No
Mr. Sunil Kathariya	ID/Member	Yes.	No	Yes	Yes
Mr. Eshanya B Gupta	ID/Member	Yes	Yes	Yes	Yes

All the Members on the Audit Committee have the requisite qualification for appointment on the Committee and possess knowledge of finance, accounting practices and internal controls. Mr. Rajesh Sen, Company Secretary also functions as the Secretary to the Committee.

The representatives of the Statutory Auditors are permanent invitees to the Audit Committee Meetings. The Chief Financial Officer (CFO) and Internal Auditor also attends Audit Committee Meetings. The Internal Auditor reports directly to the Audit Committee.

During the year under review, the Audit Committee held a separate meeting with the Statutory Auditors and the Internal Auditor to get their inputs on significant matters relating to their areas of audit.

**Self Assessment by the Audit Committee**

The Audit Committee has set in place a process to measure and benchmark its performance each year. The assessment broadly covers composition, structure and committee meetings; overview of the financial reporting process; internal control systems and overview of internal and external audits. The results of the self assessment are presented to the Audit Committee along with the action plan in the areas requiring improvement.

**(b) Stakeholders' Relationship Committee -Mandatory Committee**

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR), the Board has constituted "Stakeholders' Relationship Committee".

The terms of reference of the Committee are:

- transfer/transmission of shares issued by the Company from time to time;
- issue of duplicate share certificates for shares reported lost, defaced or destroyed, as per the laid down

procedure;

- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to approve and monitor dematerialization of shares and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance/other Officers of the Share Department to attend to matters relating to non receipt of annual reports, notices, non receipt of declared dividend change of address for correspondence etc. and to monitor action taken;
- monitoring expeditious redressal of investors/stakeholders grievances;
- all other matters incidental or related to shares, debentures and other securities of the Company.

The composition of the **Stakeholders' Relationship Committee** as at 31<sup>st</sup> March, 2017 and details of the Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Stakeholders Relationship Committee meeting held			
		29.05.2016	05.08.2016	14.11.2016	07.02.2017
Mr. Sushil Rawka	Chairman	Yes	Yes	Yes	Yes
Mr. Madhusudan Jain	WTD/Member	Yes	Yes	Yes	No
Mr. Jagdish Chand Kapur	ID/Member	Yes	No	No	No
Mr. Sunil Kathariya	ID/Member	Yes	No	Yes	Yes

Mr. Rajesh Sen, Company Secretary also functions as the Secretary to the Committee.

During the year, 7 complaints were received from shareholders, which were timely attended/resolved. As on 31<sup>st</sup> March, 2017, no investor grievance has remained unattended/ pending for more than thirty days.

#### **(c) Nomination and Remuneration Committee -Mandatory Committee**

In compliance with Section 178 of the Companies Act, 2013, the "Nomination and Remuneration Committee" is in place.

#### **The terms of reference of the Committee are:**

The Remuneration Committee recommends remuneration, promotions, increments etc. for the whole time directors and relative of the directors to the Board for approval. The Committee is empowered to -

- Formulate criteria for determining qualifications, positive attributes and independence of Directors and oversee the succession management process for the Board and senior management employees.
- Identification and assessing potential individuals with respect to their expertise, skills, attributes, personal and professional standing for appointment and re-appointment as Directors / Independent Directors on the Board and as Key Managerial Personnel.
- Formulate a policy relating to remuneration for the Directors, Committee and also the Senior Management Employees.
- Support Board in evaluation of performance of all the Directors & in annual self-assessment of the Board's overall performance.
- Conduct Annual performance review of MD and CEO and Senior Management Employees;

#### **Criteria of selection of Non-Executive Directors**

- The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, engineering, finance, governance and general management.

- (ii) In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- (iii) The N&R Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- (iv) The N&R Committee shall consider the following attributes/criteria, whilst recommending to the Board the candidature for appointment as Director.
- (v) Qualification, expertise and experience of the Directors in their respective fields;
- (vi) Personal, Professional or business standing;
- (vii) Diversity of the Board.
- (viii) In case of re-appointment of Non Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

#### **Remuneration**

- (i) The Non Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/Committee meetings as detailed hereunder:
- (ii) A Non Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014;
- (iii) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

#### **Managing Director - Criteria for selection /appointment**

- (i) For the purpose of selection of the MD and WTD the N&R Committee shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board.
- (ii) The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

#### **Remuneration for the Managing Director & Whole-time Directors**

- (i) The Remuneration of Managing Director and Whole-time director being paid as recommended by the NRC and the Board and approved by the Members at the General Meeting and/or approved by the Central Govt. from time to time within the overall limits prescribed under the Companies Act, 2013.
- (ii) The remuneration for appointment made by the Board is subject to the approval of the Members of the Company in General Meeting and/or the Central Govt. as may be required.
- (iii) The remuneration of the Managing Director and Whole-time directors are broadly divided into fixed components. The fixed component comprises salary, allowances, perquisites, amenities and retrial benefits.
- (iv) In determining the remuneration the N&R Committee shall ensure / consider the following:
  - a. responsibility required to be shouldered by the Managing Director and Whole-time director, the industry benchmarks and the current trends;
  - b. the Company's performance vis-à-vis the annual budget achievement and individual performance.

#### **Remuneration Policy for the Senior Management Employees**

In determining the remuneration of the Senior Management Employees and Key Managerial Personals, the N&R Committee shall ensure/consider the following:

- (i) the relationship of remuneration and performance;

- (ii) the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
- (iii) the remuneration is divided into fixed component comprising salaries, perquisites and retirement benefits;
- (iv) the remuneration including annual increment is decided based on the criticality of the roles and responsibilities, and current compensation trends in the market.
- (v) The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the N&R Committee for its review and approval.

The composition of the Nomination and Remuneration Committee as at March, 31, 2017 and the details of Members participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Nomination and Remuneration Committee meeting held
		29.05.2016
Mr. Surjit Singh	ID/Chairman	Yes
Mr. Jagdish Chand Kapur	ID/Member	Yes
Mr. Basant Singh Johari	ID/Member	Yes
Mr. Sunil Kathariya	ID/Member	Yes
Mr. Eshanya B Gupta	ID/Member	Yes

Mr. Rajesh Sen, Company Secretary also functions as the Compliance Officer and the Secretary to the Committee.

#### **(d) Risk Management Committee Mandatory Committee**

Business Risk Evaluation and Management is an ongoing process within the Organization.

The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities. The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the BRM policy and framework in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee shall review risks trends, exposure and potential impact analysis and mitigation plan.

The composition of the Risk Management Committee as at 31<sup>st</sup> March, 2017 and the details of Members' participation at the Meetings of the Committee are as under:

Name of the Member	Category	Attendances at the Risk management Committee meeting held 07.02.2017
Mr. Jagdish Chand Kapur	ID/Chairman	Yes
Mr. Eshanya B Gupta	ID/Member	Yes
Mr. Sunil Kathariya	ID/Member	Yes

Mr. Rajesh Sen, Company Secretary also functions as the Compliance Officer and the Secretary to the Committee.

**(e) Internal Committee for (Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

In compliance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 the Board has constituted an Internal Committee and Mrs. Atithi Vora is the chairperson of the Committee and one other female employee have been nominated in the committee to look into the complaints of the women employees relating to the Sexual Harassment of Women at Workplace.

**(f) Independent Directors' Meeting**

During the year under review, the Independent Directors met on 16.12.2016, under the chairmanship of the Lead Independent Director, Mr. Surjit Singh inter alia, to discuss:

- Independent Directors and the Board of Directors as a whole;
- Taking into account the views of the Executive and Non Executive Directors.
- Performance of the Managing Director Mr. Harsh Vora, Mr. Madhusudan Jain, Saurabh Vora and Mrs. Atithi Vora, Whole-time Directors
- Timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr. Surjit Singh, Mr. J C Kapur and Mr. Basant Singh Johari were present at the Meeting. Mr. Rajesh Sen, Company Secretary also assisted to the lead independent director.

**PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**TERMS OF APPOINTMENT & REMUNERATION - CEO & MD**

Particulars	Mr. Harsh Vora, Managing Director	Mr. Madhusudan Jain (WTD)	Mr. Saurabh Vora (WTD)	Mrs. Atithi Vora, (WTD)
Period of Appointment	29.10.2014 to 28.10.2017	24.01..2016 to 23.01.2019	01.10.2014 to 30.09.2017	01.10.2014 to 30.09.2017
Salary including Allowances	Rs. 96,60,000-15% p.a. as per CG approval Letter dated 9 <sup>th</sup> March, 2015	Rs. 92,40,000/- 10%p.a. as per CG approval Letter dated 31 <sup>st</sup> March, 2016	Maximum upto Rs. 1,00,000 P.M.	Maximum upto Rs. 1,00,000 P.M.
Perquisites	Contribution to PF as per Rules	Contribution to PF as per Rules	Contribution to PF as per Rules	Contribution to PF as per Rules



Retrial Benefits	Gratuity and Leave encashment as per Rules	Gratuity and Leave encashment as per Rules	Gratuity and Leave encashment as per Rules	Gratuity and Leave encashment as per Rules
Performance Bonus	-	-	-	0
Deferred Bonus	-	-	-	0
Minimum Remuneration	As per Central Govt. approval	As per Central Govt. approval	As per provisions of the Schedule V of the Companies Act, 2013	As per provisions of the Schedule V of the Companies Act, 2013
Notice Period and fees	3 months from either side	3 months from either side.	3 months from either side	3 months from either side

*Details of remuneration paid to the Directors are given in Form MGT-9*

#### **SUBSIDIARY & ASSOCIATE COMPANIES**

The Company is having V & H Fabricators Pvt. Ltd as its wholly owned subsidiary and Commonwealth Mining Pvt. Ltd is a Associate of the Company.

The Audited Annual Financial Statements of Subsidiaries' Companies were tabled at the Audit Committee and Board Meetings.

Copies of the Minutes of the Board Meetings of Subsidiary Companies are individually given to all the Directors and are tabled at the subsequent Board Meetings.

#### **RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The details of the related Party Transactions have also given with this report in the Form AOC-2 (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014) for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013.

The Audit Committee and the Board has approved a policy for related party transactions which has been uploaded on the Company's website.

#### **DISCLOSURES**

1. There are no materially significant transactions with the related party viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest. Suitable disclosure as required by the Accounting Standard (AS 18) has been made in the Annual Report. The Related Party Transactions Policy as approved by the Board is uploaded on the Company's website at <http://www.dnhindia.com>
2. There were no non compliance by the Company and no penalty imposed by the stock exchange of the SEBI or any statutory authority on any matter related to capital market during the last three year.
3. The Company has formed and hosted the Vigil Mechanism Policy on the website of the Company, and the Company confirm that no personnel were denied to access to the audit committee.
4. The Company has complied with all the mandatory requirements under the SEBI (LODR) Regulations, 2015 as applicable.
5. The Company has hosted all the required policy on the website of the company; however, the Company is not having any subsidiary during the year 2016-17.

6. The Company has given the web link of the related party transaction in the annual report.
7. Since the Company is not dealing in commodity hedging, therefore, it is not having any risk associated thereto.
8. The Company is not having any security to credit in the demat suspense account or unclaimed suspense account u/s 124(5) and (6) of the Companies Act, 2013.

#### MD / CFO CERTIFICATION

The MD and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report

#### DISCRETIONARY REQUIREMENTS UNDER REGULATION 27 OF LISTING REGULATION

The status of compliance with discretionary recommendations of the Regulation 27 of the Listing Regulations with Stock Exchanges is provided below:

1. Non-Executive Chairman's Office: Chairman's office is separate from that of the Managing Director & CEO.
2. Shareholders' Rights: As the quarterly and yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not being sent to the shareholders.
3. Modified Opinion in Auditors Report: The Company's financial statement for the year 2016-17 does not contain any modified audit opinion.
4. Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee.

#### INFORMATION ON GENERAL BODY MEETINGS

The details of the location and time for last three Annual General Meetings are given hereunder: -

Year	Location	Date	Time	Special Resolution	Special Resolution through postal Ballot
2015-16	Lavender Bough, 90 feet Road, Garodia Nagar, (East), Mumbai - 400077	30 <sup>th</sup> Sept., 2016	10.00 A.M	No	No
2014-15	Lavender Bough, 90 feet Road, Garodia Nagar, Ghatkopar (East), Mumbai – 400077	30 <sup>th</sup> Sept., 2015	10.00 A.M.	One Special resolutions	No
2013-14	A - 204, Kailash Esplanade, Opposite Shreyas Cinema, L.B.S. Marg, Ghatkopar (West), Mumbai – 400086	30 <sup>th</sup> Sept., 2014	10.00 A.M.	Three Special resolution	No

During the year under review, no extra ordinary general meeting was held as well as no resolution was passed through the Postal Ballot process.

#### MEANS OF COMMUNICATION

The quarterly and yearly financial results of the Company are sent to the Stock Exchanges immediately after these are approved by the Board. These are widely published in following newspapers. These results are simultaneously posted on the website of the Company at [www.dnhindia.com](http://www.dnhindia.com) and also uploaded on the website of the BSE Ltd.

Quarterly Results	Newspaper Publication	Displayed in Website
31.03.2016	Navshakti& Free Press, Mumbai	<a href="http://www.dnhindia.com">www.dnhindia.com</a>
30.06.2016	Navshakti& Free Press, Mumbai	<a href="http://www.dnhindia.com">www.dnhindia.com</a>
30.09.2016	Navshakti& Free Press, Mumbai	<a href="http://www.dnhindia.com">www.dnhindia.com</a>
31.12.2016	Navshakti& Free Press, Mumbai	<a href="http://www.dnhindia.com">www.dnhindia.com</a>

However, the Company has not made any official releases and presentation to any institution.

#### GENERAL INFORMATION TO SHAREHOLDERS

Financial Year Ended : March 31, 2017

#### Investor Services

The Company has a Registrar and Share Transfer Agent M/s Ankit Consultancy Pvt. Ltd., having their office at 60, Electronic Complex, Pardeshipura, Indore (M.P.) which offers all share related services to its Members and Investors.

These services include transfer/transmission/dematerialization of shares, payment of dividends, subdivision/consolidation/ renewal of share certificates and investor grievances.

The Share Transfer Agent is registered with SEBI as Registrar to an Issue/Share Transfer Agent in Category II Share Transfer Agent and the registration code is INR 000000767.

#### Address for Correspondence with the Share Transfer Agent of the Company

Ankit Consultancy Pvt. Ltd.  
Plot No. 60, Electronic Complex,  
Pardeshipura, Indore (M.P.) 452001,  
Phone: 0731-2551745,  
Email: [ankit\\_4321@yahoo.com](mailto:ankit_4321@yahoo.com)

For transfer/transmission/ subdivision/demat/ loss of shares/ dividend/general inquiries and investor grievance remaining unattended : [investorsgrievance@dnhindia.com](mailto:investorsgrievance@dnhindia.com)

Members who hold shares in dematerialized form should correspond with the Depository Participant with whom they maintain Demat Account/s, for their queries relating to shareholding, change of address, credit of dividend through NECS. However, queries relating to non-receipt of dividend, non-receipt of annual reports, or on matters relating to the working of the Company should be sent to the Share Transfer Agent of the Company.

Members who hold shares in physical form should address their queries to the Share Transfer Agent of the Company.

Members are requested to ensure that correspondence for change of address, change in bank details, processing of unclaimed dividend, subdivision of shares, renewals/split/consolidation of share certificates, issue of duplicate share certificates should be signed by the first named Member as per the specimen signature registered with the Company. The Share Transfer Agent of the Company may also, with a view to safeguard the interest of its Members and that of the Company, request for additional supporting documents such as certified copies of PAN Cards and other proof of identity and/or address.

Members are requested to indicate their DP ID & Client ID/ Ledger Folio number in their correspondence with the Company and also to provide their Email addresses and telephone numbers/FAX numbers to facilitate prompt response from the Share Transfer Agent of the Company.

#### Exclusive E-Mail ID

The Company has designated an e-mail ID to enable the Members and Investors to correspond with the Company. The e-mail ID is: investors.grievance@dnhindia.com

#### Plant Location

The details of the Plants along with their addresses and telephone numbers are available on the Company's website.

#### Market Information

##### Listing on Stock Exchanges

The Company's shares are listed on the following Stock Exchanges and the Listing Fees have been paid to the Exchanges:

Name and Address of the Stock Exchanges	Stock/Scrp Code	ISIN for CDSL/NSDL Dematerialized Shares
BSE Ltd., Mumbai	517514	INE589DO1018

##### Equity Share Price on BSE April, 2016 – March, 2017

Month	BSE Sensex Closed	Equity Share Price			No of Shares Traded during the month	Turnover Rs. in Lakh
		High	Low	Close		
April-2016	25606.62	19.95	15.20	19.00	13,094	2.38
May-2016	26667.96	22.70	16.55	17.20	8,955	1.62
June-2016	26999.72	18.00	15.40	16.10	36,446	5.93
July-2016	28051.86	18.90	15.65	17.20	44,463	7.67
August-2016	28452.17	19.00	15.00	15.50	23,269	3.83
Sept.-2016	27865.96	18.95	15.20	16.20	25,989	4.29
Oct.-2016	27930.21	22.00	15.00	21.60	79,232	15.22
Nov.-2016	26652.81	22.75	15.10	19.75	74,762	14.08
Dec.-2016	26626.46	25.70	16.15	21.50	1,57,541	35.00
Jan.-2017	27655.96	24.40	19.30	21.00	61,738	13.58
Feb.-2017	28743.32	25.70	19.05	21.40	61,141	13.71
March-2017	29620.50	24.40	19.40	20.20	65,206	14.24

#### SHARE TRANSFER SYSTEM / DIVIDEND AND OTHER RELATED MATTERS

##### i. Share transfers

Share transfers in physical form are processed and the share certificates are generally returned to the transferees within a period of fifteen days from the date of receipt of transfer provided the transfer documents lodged with the Company are complete in all respects.

##### ii. Nomination facility for shareholding

As per the provisions of the Companies Act, 2013, facility for making nomination is available for Members in respect of shares held by them.

Members holding shares in physical form may obtain nomination form, from the Share Department of the Company or download the same from the MCA's website. Members holding shares in dematerialized form should contact their Depository Participants (DP) in this regard.

##### iii. Permanent Account Number (PAN)

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferee/s, members, surviving joint holders/legal heirs be furnished to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

**iv. Sub-division of shares**

The Company had not subdivided any share in the past 5 years.

**v. Dividend****a. Unclaimed Dividends & Transfer of Shares to IEPF Authority**

The Company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will, in November, 2017 transfer to the said fund, the dividends for the years ended 31<sup>st</sup> March, 2010 which have remained unclaimed / unpaid. The dates by which the dividend amounts are remains unpaid as on 31.03.2017 are as under:

Financial Year	Date of Declaration	Rate of Dividend per Share Rs.	Due date for transfer of IEPF	Amount of dividend remains unpaid/ unclaimed
2009-10	30.09.2010	0.50	06.11.2017	2,59,419.50
2010-11	20.09.2011	0.50	26.10.2018	2,95,179.50
2011-12	29.09.2012	0.50	05.11.2019	1,98,957.00
2012-13	30.09.2013	0.50	05.11.2020	1,82,392.50
2013-14	30.09.2014	0.50	05.11.2021	1,93,595.00
2014-15	30.09.2015	0.50	05.11.2022	2,08,209.00

Individual reminders are sent each year to those Members by way of note to the notice of the Annual General Meeting to remained unclaimed for a period of seven years from the date they became due for payment, before transferring the monies to the Investor

Education & Protection Fund (IEPF). The information on unclaimed dividend is also posted on the website of the Company as aforesaid.

Further that pursuant to the provisions of section 124 of the Companies Act, 2013, the Company is required to transfer the shares held by the members who have not claimed/paid dividend for the consecutive period of 7 years, and holding shares as on the cut off date 31<sup>st</sup> May, 2017. Therefore all hre members who have not claimed their dividend upto 2008-09 in any of the years thereafter, and shares remained in their names are liable to the transferred to the IEPF authority on the date as may be specified.

However, the Member of such shareholders may claim their unpaid dividend and the shares transferred if any to the IEPF authority by applying in Form IEPF-5 to the IEPF authority.

**vi. Pending Investors' Grievances**

Any Member/Investor, whose grievance has not been resolved satisfactorily, may kindly write to the Company Secretary and Head Compliance at the Registered Office with a copy of the earlier correspondence.

**vii. Dematerialization of shares & liquidity**

The shares of the Company are under compulsory demat segment and are listed on Bombay Stock Exchange, Mumbai. The Company's shares are available for trading in the depository of both NSDL & CDSL.

**viii. Details of Demat Shares as on 31<sup>st</sup> March 2017**

	No. of Shareholders / Beneficial Owners	No. of Shares	% of Capital
NSDL	1,749	54,48,075	73.62
CDSL	1,007	13,92,000	18.81
<b>Sub-Total</b>	<b>2,756</b>	<b>68,40,075</b>	<b>92.43</b>
Shares in physical form	2,958	5,59,925	07.57
<b>Grand Total</b>	<b>5,714</b>	<b>74,00,000</b>	<b>100.00</b>

**ix. Reconciliation of Share Capital Audit:**

As stipulated by Securities and Exchange Board of India (SEBI), a qualified practicing Company Secretary carries out the Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to stock exchanges, NSDL and CDSL and is also placed before the Board of Directors. No discrepancies were noticed during these audits.

**x. Outstanding Convertible Instruments**

There are no outstanding warrants or any convertible instruments.

**Distribution of Shareholding as on March, 31, 2017**

Nos. of shares	No. of Owners	% of Share Holders	Share Amount (Rs)	% to Total
Upto 1000	3,336	58.38	30,34,520	4.10
1001 -2000	952	16.66	18,60,090	2.51
2001 -3000	334	5.85	9,71,330	1.31
3001 -4000	108	1.89	4,21,950	0.57
4001 -5000	272	4.76	13,50,100	1.82
5001 -10000	320	5.60	26,88,890	3.63
10001-20000	189	3.31	29,26,000	3.95
20001-30000	54	0.95	13,99,520	1.89
30001-40000	37	0.65	12,75,690	1.72
40001-50000	19	0.33	9,19,500	1.24
50001-100000	39	0.68	28,17,760	3.81
100001- Above	54	0.95	5,43,34,650	73.43
<b>TOTAL</b>	<b>5,714</b>	<b>100.00</b>	<b>7,40,00,000</b>	<b>100.00</b>

The Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby Members have an option to dematerialize their shares with either of the depositories.

**Shareholding Pattern as on 31<sup>st</sup> March, 2017**

	No. of Shares held	%
Promoters & directors	3491430	47.18
Banks, Financial Institutions, Insurance Companies & Mutual Funds		
i. Banks	2415	0.03
ii. Financial Institutions	0	0
iii. Insurance Companies	0	0
iv. Mutual Funds/UTI	0	0
Central & State Governments	0	0
Foreign Institutional Investors	0	0
NRIs / Foreign Nationals	58223	0.79
Public and Others	3847932	52.00
<b>TOTAL</b>	<b>74,00,000</b>	<b>100.00</b>

**Extraordinary General Meeting (EGM) and resolution through postal ballot**

No Extraordinary General Meeting held and resolution through postal ballot during the year 2016-17.

**DECLARATIONS**

Board Meeting for consideration of Accounts for the financial year ended March, 31, 2017	29 <sup>th</sup> May, 2017
Posting of Annual Reports	On or before 3 <sup>rd</sup> September, 2017
Book Closure Dates	23 <sup>th</sup> September 2017 to 29 <sup>th</sup> September 2017 both days inclusive
Last date for receipt of Proxy Forms	27 <sup>th</sup> Sept., before 10.00 A.M
Date, Time & Venue of the 32 <sup>st</sup> Annual General Meeting	On dated 29 <sup>th</sup> September, 2017 At 10.00 A.M. at Lavender Bough, 90 feet Road, Garodia Nagar, Ghatkopar (East), Mumbai – 400077.
Board Meeting for consideration of unaudited quarterly results for the financial year ended 31.03.2018	Within forty five days from the end of the quarter, as stipulated under the SEBI (LODR) Regulations, 2015.
Audited results for the current financial year ending March 31, 2018	Within sixty days from the end of the last quarter, as stipulated under the SEBI (LODR) Regulations, 2015.

**For and on behalf of the Board**

**Place: Indore**  
**Date: 12th August, 2017**

**Harsh Vora**  
**Managing Director**  
**DIN 00149287**

**Sushil Rawka**  
**Director**  
**DIN 00156990**

**Compliance with Code of Business Conduct and Ethics**

As provided SEBI (LODR) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2017.

**For D & H India Limited**

**Place: Indore**  
**Date: 12th August, 2017**

**Harsh Vora**  
**Managing Director**  
**DIN 00149287**

## INDEPENDENT AUDITOR'S REPORT

To,

The Members of  
**D & H INDIA LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **D & H INDIA LIMITED** ('the Company'), which comprises the balance sheet as at 31<sup>st</sup> March, 2017, the statement of profit and loss and the cash flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2017, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:



- a) we have sought and 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 it appears from our examination of those books;
- c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) on the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2017, from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 36 to the Standalone Financial Statements.

For **ABN & Co.**  
Chartered Accountants  
FRN : 004447C

**(B.M. Bhandari)**

Partner

M. No. : 071232

Place: Indore

Date: 29/05/2017

**ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date)**

- (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. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) a. The inventory of the company has been physically verified by the management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable, 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) The Company has granted interest free loan to one body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

- a. In our opinion, other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- b. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount and payment of interest.
- c. There are not any repayment schedule and the loans are repayable on demand, hence we are unable to comment on overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information & explanations given to us, the company has not accepted deposits as per directives issued by Reserve Bank of India and provisions of section 73 to 76 or any other relevant provisions of Companies Act and Rules framed there under.
- (vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited with the appropriate authorities and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31<sup>st</sup> March, 2017.
- b. According to the information and explanations given to us, there are no material dues of duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Sales tax & Entry tax have not been deposited by the Company on account of disputes :

Nature of Statute	Nature of the dues	Period to which the amount relates	Amount in ₹	Forum where the dispute is pending
CST	Regular assessment	2006-07	5,77,794	Appeal Board, Bhopal
		2008-09	1,24,977	Appeal Board, Bhopal
		2009-10	3,84,322	Appeal Board, Indore
		2010-11	4,97,994	Appeal Board, Indore
		2011-12	6,38,890	Appeal Board, Indore
		2012-13	4,52,500	Appeal Board, Indore
		2013-14	12,15,021	Depty Commissioner Appeal
2014-15	9,76,264	Depty Commissioner Appeal		
Entry Tax	Regular assessment	2005-06	1,11,968	Appeal Board, Bhopal
		2006-07	2,58,747	Appeal Board, Bhopal
		2008-09	30,272	Appeal Board, Bhopal
		2013-14	1,02,284	Depty Commissioner Appeal

(viii) According to the records of the company, examined by us and the information & explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders during the year.

(ix) According to the records of the company, examined by us and the information & explanations given to us, term loan taken have been applied for the purposes for which they were raised. Further the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.

- (x) According to the records of the company, examined by us and the information & explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **ABN & Co.**  
Chartered Accountants  
FRN : 004447C

**(B.M. Bhandari)**  
Partner  
M. No. : 071232

Place: Indore  
Date: 29/05/2017

**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF COMMONWEALTH MINING PRIVATE LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **D & H INDIA LIMITED** ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **ABN & Co.**  
Chartered Accountants  
FRN : 004447C

**(B.M. Bhandari)**  
Partner  
M. No. : 071232

Place: Indore  
Date: 29/05/2017

## Balance Sheet as at 31st March, 2017

Particulars	Note No	AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	7,40,00,000	7,40,00,000
(b) Reserves and Surplus	4	21,76,91,854	21,41,17,864
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	2,46,59,698	3,88,38,599
(b) Deferred tax liabilities (Net)	6	1,68,80,068	1,62,64,324
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	10,34,20,780	8,01,59,921
(b) Trade payables	8	8,98,78,532	9,10,57,250
(c) Other current liabilities	9	4,02,42,143	4,13,73,010
(d) Short-term provisions	10	2,49,78,728	2,09,80,750
		<u>59,17,51,805</u>	<u>57,67,91,717</u>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11.1	19,84,15,487	20,83,68,266
(ii) Intangible assets Under Development	11.2	13,79,283	13,79,283
(b) Non-current investments	12	1,74,81,899	1,74,81,899
(c) Other non-current assets	13	51,54,919	51,49,487
<b>(2) Current assets</b>			
(a) Inventories	14	20,42,57,866	17,48,82,436
(b) Trade receivables	15	12,49,97,851	13,72,71,266
(c) Cash and cash equivalents	16	1,09,94,133	1,33,36,390
(d) Short-term loans and advances	17	2,90,70,368	1,89,22,688
<b>Total</b>		<u>59,17,51,805</u>	<u>57,67,91,717</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 Accountants

FRN-004447C

For and on behalf of the Board

(B.M. Bhandari)  
Partner  
M.No. 071232

Place: Indore  
Date: 29.05.2017

(Harsh Vora)  
Managing Director  
DIN: 00149287

(Rajesh sen)  
Company Secretary  
FCS: 7689

(Sushil Rawka)  
Director  
DIN: 00156990

(Sanat Jain)  
Chief Financial Officer

## Statement of Profit and Loss for the year ended 31st March, 2017

Particulars	Note No	AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
I. Revenue from operations(Gross)	18	67,60,38,509	70,47,76,412
Less : Excise Duty		7,50,28,123	8,10,21,324
Revenue from operations(Net)		60,10,10,386	62,37,55,088
II. Other Income	19	7,45,623	30,70,993
III. <b>Total Revenue (I +II)</b>		<b>60,17,56,009</b>	<b>62,68,26,081</b>
IV. Expenses:			
Cost of materials consumed	20	41,46,39,465	41,89,16,887
Purchase of Stock-in-Trade		7,37,161	25,47,235
Changes in inventories of finished goods, work in progress and Stockin-Trade	21	(3,63,01,171)	(1,09,45,635)
Employee benefit expense	22	7,87,10,426	8,75,69,282
Financial costs	23	1,62,63,134	1,33,90,451
Depreciation and amortization expense	11.1	1,74,32,889	1,77,32,693
Other expenses	24	10,44,44,448	9,13,93,787
<b>Total Expenses</b>		<b>59,59,26,351</b>	<b>62,06,04,699</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		58,29,657	62,21,382
VI. Prior Period Adjustments		4,89,923	3,98,303
VII. Profit before extraordinary items & tax (V - VI)		53,39,734	58,23,079
VIII. Profit before tax		53,39,734	58,23,079
IX. Tax expense:			
(1) Current tax		11,50,000	12,00,000
(2) Deferred tax		6,15,744	6,27,414
X. Profit/(Loss) for the period from continuing operations (VIII-IX)		35,73,990	39,95,665
XI. <b>Profit/(Loss) for the period</b>		<b>35,73,990</b>	<b>39,95,665</b>
XII. Earning per equity share:	25		
(1) Basic		0.48	0.54
(2) Diluted		0.48	0.54

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 Accountants

FRN-004447C

For and on behalf of the Board

(B.M. Bhandari)

Partner

M.No. 071232

Place: Indore

Date: 29.05.2017

(Harsh Vora)

Managing Director

DIN: 00149287

(Rajesh sen)

Company Secretary

FCS: 7689

(Sushil Rawka)

Director

DIN: 00156990

(Sanat Jain)

Chief Financial Officer

## CASH FLOW STATEMENT FOR THE YEAR 2016-17

	31.03.2017	31.03.2016
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax & Extraordinary items	58,29,657	62,21,382
Adjustment for : Depreciation	1,74,32,889	1,77,32,693
Deferred Revenue Expenditure	-	-
Preliminary Expenditure	-	-
Loss/(Profit) on sale of fixed assets	-	95,734
Other Income	(7,45,623)	(30,70,993)
Interest Paid / Bank Charges	1,62,63,134	1,33,90,451
Operating Profit before working Capital Changes Adjustment for:	3,87,80,057	3,43,69,267
Trade & other receivable	12,27,3,415	(2,89,31,294)
Inventories	(2,93,75,430)	11,38,907
Trade Payables & Other Provisions	28,88,394	(1,20,00,370)
Cash generated from Operations	2,45,66,436	(54,23,490)
Direct Tax paid	(12,00,000)	(35,00,000)
Cash flow before extraordinary items	2,33,66,436	(89,23,490)
Extraordinary items	(4,89,923)	(3,98,303)
Net Cash from Operating Activities	28,76,512	(93,21,794)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets (Net)	(74,80,109)	(1,18,13,886)
Loans & Advances	(1,13,03,112)	4,26,630
Interest received / Misc Receipts	7,15,979	30,02,345
Purchase/ Sale of Non Current Investments	-	26,98,316
Dividend Income	29,644	68,648
Net cash used in Investing Activities	(1,80,37,598)	(56,17,947)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from long term & Short term borrowings	90,81,958	3,73,30,271
Interest Paid	(1,62,63,134)	(1,33,90,451)
Dividend Paid (Including Dividend Distribution Tax)	-	(44,53,233)
Net cash used in Financing Activities	(71,81,176)	1,94,86,587
Net increase in Cash and Cash equivalent (A+B+C)	(23,42,257)	45,46,846
Cash & Cash Equivalents As at 01.04.2016	1,33,36,390	87,89,543
Cash & Cash Equivalents As at 31.03.2017	1,09,94,133	1,33,36,390

For and on behalf of M/s ABN & CO.  
Chartered Accountants  
FRN-004447C

For and on behalf of the Board

(B.M. Bhandari)  
Partner  
M.No. 071232

Place: Indore  
Date: 29.05.2017

(Harsh Vora)  
Managing Director  
DIN: 00149287

(Rajesh sen)  
Company Secretary  
FCS: 7689

(Sushil Rawka)  
Director  
DIN: 00156990

(Sanat Jain)  
Chief Financial Officer



**NOTES TO THE FINANCIAL STATEMENTS :-****1) General information**

**D & H India Limited** is engaged in Manufacturing business primarily dealing in Welding Electrodes & Consumables, CO2 Wire, M Core Wire, Flux Powder, Flux cored Wire, Stainless Steel Wire & other similar activities. The company has manufacturing plants in India and sales primarily in India.

The company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, Maharashtra, India. Its shares are listed on the Bombay Stock Exchange Ltd. (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 ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

**2.2) Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities) and the reported income and expenditure during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the difference between the actual results and the estimates as are recognized in the period in which the results are known / materialize.

**2.3) 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.

**2.4) Intangible Assets Under Development**

Intangible Assets Under Development comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

**2.5) Depreciation**

Depreciation has been provided based on life assigned to each asset in accordance with Schedule II of the Companies Act, 2013.

**2.6) 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.

**2.7) Inventories**

Finished goods are measured at lower of cost and net realizable value .Cost of finished goods comprises of cost of purchase, cost of conversion and other cost including manufacturing overhead incurred in bringing them to their respective present location & condition.

Cost of Raw Material, Work In Progress, Store & Spares , Packing Material , Trading Stock is determined at FIFO Basis .

**2.8) Investment**

Trade Investments are the Investments made to enhance the Company's business interests.

Investment either classified as current or long term based on management intention. Current investment is carried at lower of cost and fair value/quoted in each investment individually.

Long term investments are carried at cost less provisions recorded or recognize any decline, other than temporary, in the carrying value of each investment.

**2.9) Impairment of Tangible Assets**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. . 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 asset 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.

**2.10) Revenue Recognition**

Revenue is recognized only when risk and rewards incidental to ownership are transfer to customer –it can be reliably measured & it is reasonable to expect ultimate collection. Revenue from operation (gross) are inclusive of vat/Central sales tax ,excise duty , and adjustment for rate difference .

**2.11) Provision, Contingent Liabilities And Contingent Assets**

Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

**2.12) Cash Flow Statement**

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

**2.13) 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.

**2.14) Taxation**

Taxation comprise current Income tax, deferred 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.

**2.15) Excise Duty**

Liability for excise duty in respect of goods manufactured by the company is accounted upon completion of manufacture and provision is made for excisable manufactured goods lying in stock.

**2.16) Foreign Currency Transactions**

- (i) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date 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.

### 2.17) Other Income

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

Dividend: Dividend from Investment are recognized when the right to receive payment is established.

### 2.18) 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.

### 2.19) 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.

Note No	AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1 2	3	4

### 3 Share Capital

#### Equity Share Capital :

Authorised Share capital 1,00,00,000 Equity Shares of Rs.10/- Each	10,00,00,000	10,00,00,000
Issued, subscribed & fully paid share capital 74,00,000 Equity Shares of Rs.10/- each (Fully Paid up)	7,40,00,000	7,40,00,000
<b>Total</b>	<b>7,40,00,000</b>	<b>7,40,00,000</b>

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
3.1	<b>Reconciliation of number of Sharers Equity Shares :</b>		
		<b>No. of Shares</b>	<b>No. of Shares</b>
	Balance as at the beginning of the year	74,00,000	74,00,000
	Add : Shares Issued During the period	-	-
	<b>Balance As at the end of the year</b>	<b>74,00,000</b>	<b>74,00,000</b>
3.2	<b>Terms/Rights attached to equity Shares</b>		
	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	<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company equity Shares :</b>		
		<b>No. of Shares</b>	<b>No. of Shares</b>
	1. Corna Infra Limited	806,000 (10.89%)	806,000 (10.89%)
	2. Harsh Vora (HUF)	673,600 (9.10%)	673,600 (9.10%)
	3. Suchita Kakrecha	537,085 (7.26%)	537,085 (7.26%)
3.4	<b>Nil Equity Shares were issued in the last 5 years under the Employee Stock Options Plan as consideration for services rendered by employees.</b>		
4	<b>Reserves and Surplus</b>		
	<b>Capital Reserves</b>		
	Balance As Per last Balance Sheet	1,58,00,000	1,58,00,000
	<b>Total</b>	<b>1,58,00,000</b>	<b>1,58,00,000</b>
	<b>Securities Premium Reserve</b>		
	As Per last Balance Sheet	2,14,84,800	2,14,84,800
	<b>Total</b>	<b>2,14,84,800</b>	<b>2,14,84,800</b>
	<b>General Reserve</b>		
	As Per last Balance Sheet	6,80,00,000	6,80,00,000
	Add : Amount Transferred from Surplus Balance in Statement of profit & Loss	-	-
	<b>Total</b>	<b>6,80,00,000</b>	<b>6,80,00,000</b>

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
	<b>Surplus in the statement of Profit and loss</b>		
	As Per last Balance Sheet	<b>10,88,33,064</b>	10,48,37,399
	Profit for the Year	<b>35,73,990</b>	39,95,665
	Less : Appropriations/Allocations	-	-
	<b>Total</b>	<b>11,24,07,054</b>	<b>1,08,33,064</b>
	<b>Total</b>	<b>21,76,91,854</b>	<b>21,41,17,864</b>
<b>5</b>	<b>Long-term borrowings</b>		
	Secured		
	Term Loans from Banks :		
	a) HDFC Bank Ltd. (Term Loan)	<b>2,30,08,629</b>	3,29,52,526
	b) HDFC Bank Ltd. (Car Loan)	<b>5,30,585</b>	14,38,538
	c) HDFC Bank Ltd.(WCTL)	-	44,47,535
	Term Loans from Others:		
	a) Toyota Financial Services Ltd.(Car Loan)	<b>11,20,484</b>	-
	<b>Total</b>	<b>2,46,59,698</b>	<b>3,88,38,599</b>

#### 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. 50/- Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery. & Copllateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, chattisgarh & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain	Repayble in 60 Month installment of Rs. 112617/-@ MCLR+2.55% starting from 07/05/2014
b) Term Loan From HDFC Bank amounting Rs. 150/- Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery. & Copllateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, chattisgarh & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.	Repayble in 60 Month installment of Rs. 337851/-@ MCLR+2.55% starting from 07/06/2014
c) Working capital term Loan From HDFC Bank amounting Rs. 175/- Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery. & Copllateral security by way of first mortgage of industrial	Repayble in 36 Month installment of Rs. 581250/-@ MCLR+2.55% starttng from 07/12/2014

property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, chattisgarh & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.

- d) Four Vehicle Loans from HDFC Bank amounting to Rs. 33.20/- Lakhs (Previous Year Two vehicle loan amounting Rs. 15.45/- Lakhs) is secured against respective Vehicles.

INSTALLMENT	RATE	STARTING FROM
21127/-	10.50%	05/08/2014
29090/-	10.50%	07/12/2014
18622/-	10.25%	07/09/2015
38636/-	9.85%	05/04/2016

- e) Term Loan From HDFC Bank amounting Rs. 300/- Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery. & Copplateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, chattisgarh & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.

Repayble in 60 Month installment of Rs. 671130/-@ MCLR+2.55% starttrng from 15/10/2015

- f) One Vehicle Loans from TOYOTA FINANCIAL SERVICES INDIA LIMITED amounting to Rs. 20.00/- Lakhs is secured against respective Vehicles.

All loans Repayble in 36 Monthly installment

INSTALLMENT	RATE	STARTING FROM
63580/-	8.97%	23/10/2016

Note No	AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES	
1	2	3	
4	5	6	
<b>6</b>	<b>Deferred Tax Liability (Net)</b>		
	Deferred Tax Liability on timing difference on account of difference between written down value of fixed assets under the companies Act, 2013 and the Income Tax Act, 1961.	<b>1,86,77,593</b>	1,80,65,442
	Deferred Tax Assets on Other timing Differences U/s 43B of I.T.Act,1961	<b>17,97,525</b>	18,01,118
	<b>Total</b>	<b><u>1,68,80,068</u></b>	<b><u>1,62,64,324</u></b>
6.1	Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.		
<b>7</b>	<b>Short-terms Borrowing Secured From Bank</b>		
	Loan repayable on demand from HDFC Banks (CC A/C)	<b>2,63,86,629</b>	76,24,585
	LC & Buyers Credit of HDFC Bank	<b>5,01,96,762</b>	4,99,43,103
	Channel Finance Facility From Axis Bank	<b>1,50,63,543</b>	36,22,850
	<b>Unsecured</b>		
	Froms Directors	<b>35,98,862</b>	80,58,045
	From Others	<b>81,74,984</b>	1,09,11,338
	<b>Total</b>	<b><u>10,34,20,780</u></b>	<b><u>8,01,59,921</u></b>

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
7.1	Working capital limit and LC/Buyers Credit limit are secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery & Collateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, Chattisgarh, Post dated cheques & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.		
7.2	Channel Finance facility From Axis Bank are secured by post dated cheques.		
7.3	Unsecured Loan Taken from Directors are from their owned fund & Maximum tenure of repayment of unsecured loan is within six month.		
7.4	Interest on unsecured loan is provided @ 12% P.A.		
<b>8</b>	<b>Trade Payables</b>		
	(i) Total Outstanding dues of micro & small enterprises	-	-
	(ii) Total Outstanding dues of creditors other than micro and small enterprises	<b>8,98,78,532</b>	9,10,57,250
	<b>Total</b>	<b><u>8,98,78,532</u></b>	<b><u>9,10,57,250</u></b>
8.1	In the absence of information from all suppliers of their status being small / micro enterprises, all the units are classified into other.		
<b>9</b>	<b>Other current liabilities</b>		
	Current maturities of long term debt	<b>1,59,30,618</b>	1,59,16,608
	Sundry Staff Payable	<b>29,04,742</b>	44,80,399
	Interest Accrued but not due on borrowings	<b>2,43,633</b>	3,49,284
	Cheque In Transit	<b>43,15,572</b>	51,70,994
	<b>Other Payables</b>		
	Advance Received From Customer	<b>69,11,189</b>	47,11,626
	Dealer Deposits	<b>38,44,842</b>	40,04,842
	Statutory Dues Payables	<b>20,34,461</b>	29,30,092
	Others	<b>40,57,086</b>	38,09,164
	<b>Total</b>	<b><u>4,02,42,143</u></b>	<b><u>4,13,73,010</u></b>
<b>10</b>	<b>Short-term provisions</b>		
	Provision for employee benefits	<b>31,26,900</b>	28,36,702
	Provision for Income Tax (Net of Advance Tax)	<b>11,50,000</b>	12,00,000
	Others*	<b>2,07,01,828</b>	1,69,44,048
	<b>Total</b>	<b><u>2,49,78,728</u></b>	<b><u>2,09,80,750</u></b>
10.1	Other Short term provisions includes the diff. of excise duty on opening & closing stock of finished goods.		

**Note -11.1- TANGIBLE ASSETS**

Particulars	Gross Block			Depreciation					Net Block	
	As On 01.04.16 Rupees	Total Addition Rupees	Total Deduction Rupees	As On 31.03.17 Rupees	Up To 31.03.16 Rupees	For The Year Rupees	Written Back Rupees	Up To 31.03.17 Rupees	As On 31.03.17 Rupees	As On 31.03.16 Rupees
Lease Hold Land	4994321	-	-	4994321	-	-	-	-	4994321	4994321
Free Hold Land	4853296	-	-	4853296	-	-	-	-	4853296	4853296
Office Building	2504370	-	-	2504370	951866	344,475	-	1296341	1208029	1552504
Factory Building	98332779	69844	-	98402623	19600859	2877620	-	22478479	75924144	78731921
Plant & Machinery	138678549	2707930	-	141386479	42453971	11103254	-	53557225	87829254	96224578
Electric Installation	15302622	810554	-	16113176	5535711	1788938	-	7324650	8788526	9766911
Laboratory Equip.	684645	68415	-	753059	201950	45411	-	247361	505699	482695
Vehicles	9467495	3074115	-	12541610	2718085	124733	-	2842818	9698792	6749410
Furniture & Fixtures	5091959	178903	-	5270862	2017587	587716	-	2605303	2665559	3074372
Office Equipment	2905874	375061	-	3280935	1378001	516702	-	1894704	1386231	1527873
Computers	1880899	195288	-	2076187	1470513	44038	-	1514551	561636	410386
<b>Total</b>	<b>284696809</b>	<b>7480109</b>	<b>-</b>	<b>292176918</b>	<b>76328541</b>	<b>17432889</b>	<b>-</b>	<b>93761429</b>	<b>198415487</b>	<b>208368266</b>
Previous Year	273614573	11763743	681507	284696809	58901762	17732693	305915	76328541	208368266	214712809

**Note -11.2 - Intangible Assets under development include SAP under development.**

Note No	AS AT 31.03.2017 RUPEES		AS AT 31.03.2016 RUPEES	
1	2	3	4	5
<b>12 Non-current investments</b>				
<b>Trade Investments</b>				
Investment in Unquoted Equity instrument		1,73,27,500		1,73,27,500
<b>Other Investment</b>				
Investments in Quoted Equity instruments		1,54,399		1,54,399
<b>Total</b>		<b>1,74,81,899</b>		<b>1,74,81,899</b>
<b>a Quoted Shares</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
Tata Consultancy Services Face Value Rs. 1.00	616	1,30,900	616	1,30,900
Hindalco Industries	200	8,810	200	8,810
National Aluminium	400	14,689	400	14,689
Aggregate amount of quoted investments		<u>1,54,399</u>		<u>1,54,399</u>
Market Value of quoted investments		<u>15,67,599</u>		<u>15,85,895</u>
<b>b Unquoted Shares</b>	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
Commonwealth Mining Pvt.Ltd	9,000	90,000	9,000	90,000
V&H Fabricators Pvt. Ltd.				
Wholly Owned Subsidiary	5,12,500	1,72,37,500	5,12,500	1,72,37,500
Aggregate amount of unquoted investments		<u>1,73,27,500</u>		<u>1,73,27,500</u>



Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
<b>13</b>	<b>Other non-current assets</b>	<b>51,54,919</b>	<b>51,49,487</b>
	Security Deposits	<b>Total 51,54,919</b>	<b>51,49,487</b>
<b>14</b>	<b>Inventories</b>		
	Raw materials	<b>5,38,62,711</b>	5,97,48,575
	Work in progress	<b>1,52,86,767</b>	1,46,60,248
	Finished goods	<b>13,16,72,269</b>	9,43,54,307
	Stock in trade	<b>11,11,521</b>	27,54,831
	Stores and spares	<b>23,24,598</b>	33,64,475
	<b>Total</b>	<b><u>20,42,57,866</u></b>	<b><u>17,48,82,436</u></b>
<b>15</b>	<b>Trade receivables</b>		
	<b>Unsecured &amp; considered good :</b>		
	Exceeding Six months	<b>2,74,72,963</b>	3,37,40,838
	Others	<b>9,75,24,888</b>	10,35,30,428
	<b>Total</b>	<b><u>12,49,97,851</u></b>	<b><u>13,72,71,266</u></b>
<b>16</b>	<b>Cash and cash equivalents</b>		
	Balances with banks in india	<b>7,03,815</b>	38,77,184
	Cash on hand	<b>8,80,903</b>	9,54,816
	FDR with Banks	<b>94,09,415</b>	85,04,390
	<b>Total</b>	<b><u>1,09,94,133</u></b>	<b><u>1,33,36,390</u></b>
<b>16.1</b>	Fixed Deposit maintained by the company with bank, which can be withdrawn by the company at any point of time.		
<b>17</b>	<b>Short term loans and advances</b>		
	Unsecured Considered good		
	Loans & Advances to related parties (Wholly owned Subsidiary Company)	<b>28,86,506</b>	30,95,356
	Other Loans and advances *	<b>1,56,01,418</b>	62,26,819
	Balance with Government Authorities	<b>98,88,464</b>	89,95,259
	Prepaid Expenses	<b>6,93,980</b>	6,05,254
	<b>Total</b>	<b><u>2,90,70,368</u></b>	<b><u>1,89,22,688</u></b>
<b>17.1</b>	*Other Loans and advances includes Advance to Vendors /Service Providers.		
<b>18</b>	<b>Revenue from Operations</b>		
	Revenue from - Sale of products	<b>67,59,57,399</b>	70,47,10,274
	Other operating revenues	<b>81,110</b>	66,138
	<b>Total</b>	<b><u>67,60,38,509</u></b>	<b><u>70,47,76,412</u></b>
<b>18.1</b>	<b>Particulars Of Sale Of Products</b>		
	Electrodes , Flux, Wire etc.	<b>67,51,32,877</b>	69,71,26,346

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
	Wires & Electrodes (Trading)	8,24,522	75,83,928
	<b>Total</b>	<b>67,59,57,399</b>	<b>70,47,10,274</b>
<b>19</b>	<b>Other Income</b>		
	Interest income	6,15,011	8,61,862
	Dividend income	29,644	68,648
	Other non-operating income	1,00,968	21,40,483
	<b>Total</b>	<b>7,45,623</b>	<b>30,70,993</b>
<b>20</b>	<b>Cost of Material Consumed</b>		
	Imported	2,13,95,149	8,21,43,710
	% of Consumption	5.16%	19.61%
	Indigenous	39,32,44,316	33,67,73,177
	% of Consumption	94.84%	80.39%
20.1	<b>Particulars of Material consumed</b>		
	Wire, Chemicals, Packing Material	41,46,39,465	41,89,16,887
<b>21</b>	<b>Changes In Inventories Of Finished Goods, Stock-In-Process And Stock-In-Trade Inventories at Close</b>		
	Finished Goods	13,16,72,269	9,43,54,307
	Semi Finished Goods	1,52,86,767	1,46,60,248
	Stock In Trade	11,11,521	27,54,831
	<b>Total</b>	<b>14,80,70,557</b>	<b>11,17,69,386</b>
	<b>Inventories at Commencement</b>		
	Finished Goods	9,43,54,307	8,12,66,092
	Semi Finished Goods	1,46,60,248	1,31,16,674
	Stock In Trade	27,54,831	64,40,985
	<b>Total</b>	<b>11,17,69,386</b>	<b>10,08,23,751</b>
	<b>Increase In Inventories</b>	<b>(3,63,01,171)</b>	<b>(1,09,45,635)</b>
<b>22</b>	<b>Employee Benefits Expense</b>		
	Salaries and wages	7,17,72,830	8,10,92,472
	Contribution to provident and other funds	53,44,896	48,88,995
	Staff welfare expenses	15,92,699	15,87,815
	<b>Total</b>	<b>7,87,10,426</b>	<b>8,75,69,282</b>
22.1	As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :		
	<b>a) Short Term Employee Benefits</b>		
	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.		
	<b>b) Long Term Benefits</b>		

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4

**Defined Contribution Plans :**

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.

Employers Contribution to Provident fund & ESI	<b>53,44,896</b>	4,888,995
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**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. 1,06,846/- for future gratuity benefits of the employees of company.

b. Company has made provision for benefit related to the leave encashment as per the policy of the company.

**23 Finance Costs**

Interest expenses	<b>1,41,16,214</b>	1,10,01,316
Other borrowing costs	<b>21,46,920</b>	23,89,135
<b>Total</b>	<b><u>1,62,63,134</u></b>	<b><u>1,33,90,451</u></b>

23.1 Interest expenses is net of Interest Subsidy received from DIC Dhar for Ghatabillod Unit amounting to Rs. C.Y.739406/- P.Y. 699569/-

**24 Other Expenses****Manufacturing Expenses :**

Consumption of stores and spare parts & Others(Indigenous)	<b>49,24,262</b>	26,51,356
Power and fuel	<b>2,30,98,408</b>	2,36,54,076
Repairs to buildings	<b>6,99,741</b>	9,59,413
Repairs to machinery	<b>31,22,144</b>	35,73,480
Repairs to others	<b>5,26,816</b>	4,79,094
Laboratory Expenses	<b>5,09,268</b>	5,09,364
Packing & Other Expenses	<b>2,06,734</b>	67,986
Difference In Excise Duty on Opening / Closing Stock	<b>37,85,286</b>	(4,55,557)

**Administrative Expenses :**

Rates and Taxes, excluding taxes on income	<b>4,75,726</b>	4,78,352
Rent	<b>8,48,935</b>	2,70,383
Printing & Stationery	<b>7,89,939</b>	6,63,568
Postage & Telegram	<b>5,37,848</b>	3,62,406
Telephone Charges	<b>12,99,532</b>	13,43,439
Travelling Exp. (Directors)	<b>8,74,712</b>	12,91,910
Travelling Exp. Staff & others	<b>15,30,725</b>	22,36,586
Vehicle Expenses	<b>37,49,870</b>	40,62,704
Payment To Auditors	<b>1,01,000</b>	2,07,000
Legal & Professional Charges	<b>71,99,411</b>	36,54,260

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
	Membership & Testing Fees	24,96,591	19,68,016
	Exc. Diff. In. Foreign Currency	2,16,323	4,89,010
	Insurance Expenses	7,86,593	9,18,478
	Office General & Misc. Exp.	24,97,650	16,34,516
	Loss on sale of assets	-	95,734
	Director's Sitting Fees	1,70,000	1,60,000
	Donation	1,91,300	81,300
	Loss on Sale of Investment	-	68,767
	<b>Selling &amp; Distribution Expense :</b>		
	Duties & Taxes	2,31,94,702	2,31,03,276
	Freight & Cartage Outward	1,01,65,319	95,71,053
	Advertisement & Publicity	1,06,657	1,33,261
	Sales Promotion etc.	18,90,451	17,67,570
	Commission & Discount	77,65,331	50,83,992
	Bad Debts Written off	6,83,174	3,08,993
	<b>Total</b>	<b>10,44,44,448</b>	<b>9,13,93,787</b>
24.1	The Excise duty related to the difference between the closing stock and opening stock Rs. 37, 85, 286/- (Previous Year Rs. (4,55,557/-) has been shown in other manufacturing expenses and excise duty related to sales amounting to Rs.7,50,28,123/- .(Pr.Yr. Rs.8,10,21,324/-) has been reduced from gross sales.		
24.2	<b>Payment to Auditors</b>		
i	Audit Fees	70,000	70,000
ii	Tax Audit Fees	30,000	30,000
iii	Other Services	-	1,00,000
iv	Certification fees	1,000	7,000
		<u>1,01,000</u>	<u>2,07,000</u>
25	<b>Earnings Per Share</b>		
i	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	35,73,990	3,995,665
ii	Weighted Average number of equity shares used as denominator for calculating EPS	74,00,000	7,400,000
iii	Basic earnings per share	0.48	0.54
iv	Diluted earnings per share	0.48	0.54
v	Face Value per equity share	10	10
26	<b>Related Party Disclosures</b>		
	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 :-		
	<b>Subsidiary Company</b>		
	V & H Fabricators Pvt. Ltd.(Wholly Owned)		
	<b>Associate Company</b>		
	Commonwealth Mining Private Limited		

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4

**Key Managerial Persons**

Shri Harsh Vora (Managing Director)  
 Shri Madhusudan Jain (Whole Time Director)  
 Shri Saurabh Vora (Whole Time Director)  
 Smt. Atithi Vora (Whole Time Director)  
 Shri Sanat Jain (Chief Financial Officer)  
 Shri Rajesh Sen ( Company Secretary)

**Enterprises Over which Key Managerial Person are able to Exercise Significant Influence**

Vora Wires Industries (India) Limited  
 Corna Infra Limited

<b>Transactions with related Parties</b>		
<b>Nature of Transactions</b>	<b>31.03.2017</b>	<b>31.03.2016</b>
Sale of Goods	36,931	6,21,952
Purchase of Capital Goods	6,84,000	9,50,000
Purchase of Raw Material	7,24,233	-
Receiving of Services	1,79,928	1,56,000
Unsecured Loan Taken	2,67,00,000	2,82,50,000
Repayment of Unsecured Loan	3,54,21,122	2,43,58,065
Interest Paid	16,95,095	22,99,315
Remuneration to Director	1,31,07,027	2,02,58,388
Remuneration to other Key Managerial Person	19,13,984	19,20,484
Outstanding Balances As on 31.03.2017		
Trade & Other Receivables	29,28,028	31,19,270
Trade & Other Paybles	1,35,74,178	2,23,78,437

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 Amortization of lease hold land is not being done as the same is on perpetual lease.

**30 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.

**31 Contingent Liabilities & Commitments (To the extent not provided for)**

i	Guarantees given on behalf of the company	29,06,000	30,09,000
ii	CST Demand (in appeal)	47,58,537	52,43,996
iii	VAT Demand (in appeal)	-	11,80,167

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
iv	Entry Tax Demand (in appeal)	4,81,280	3,68,460
	<b>Total</b>	<b>81,45,817</b>	<b>98,01,623</b>
31.1	Some of the cases are pending before the Hon'ble courts but management believes that the ultimate outcome of these proceedings will not have a material adverse effects on the Company's financial position and results of operation.		
32	<b>Value of Imports on(CIF Basis)</b>		
	Raw Material	2,50,47,072	9,42,74,773
	Capital Goods	-	-
	Trading Goods	95,606	-
	<b>Total</b>	<b>2,51,42,678</b>	<b>9,42,74,773</b>
33	<b>Expenditure in foreign exchange</b>	2,51,42,678	9,42,74,773
34	<b>Earning in foreign exchange</b>		
	FOB Value of Export	18,70,290	19,70,216
35	These financial statements have been prepared in the format prescribed by the revised Schedule III to the companies Act 2013. Previous period figures have been recasted/ restated to confirm to the current period Figures have been rounded off to the nearest Rupee.		
36	Details of Specified Bank Notes (SBN) held & transected during the period 08/11/2016 to 30/12/2016		
		<b>SBNs</b>	<b>Other Denomination Notes</b>
			<b>Total</b>
	Closing Cash In Hand As on		
	08.11.2016	700,000	2,55,977
	(+) Permitted Receipts		14,40,000
	(-) Permitted Payments		7,81,393
	(-) Amount Deposited In Banks	700,000	7,00,000
	Closing Cash In Hand As on		9,14,584
	30.12.2016		

36.1 Permitted receipts of "Other Denomination Notes" include amount withdrawn from bank amounted to Rs 300000.

As per our report of even date attached  
for and on behalf of M/s ABN & CO.  
Chartered Accountants  
FRN-004447C

For and on behalf of the Board

(B.M. Bhandari)  
Partner  
M.No. 071232

(Harsh Vora)  
Managing Director  
DIN: 00149287

(Sushil Rawka)  
Director  
DIN: 00156990

Place: Indore  
Date: 29.05.2017

(Rajesh sen)  
Company Secretary  
FCS: 7689

(Sanat Jain)  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**D & H INDIA LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **D & H INDIA LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary and associate (the Holding Company and its subsidiary and associate together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid

consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31<sup>st</sup> March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and associate companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary and associate companies incorporated in India.
    - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company. Refer Note No. 40 to the Consolidated Financial Statements.

For **ABN & Co.**  
Chartered Accountants  
FRN : 004447C

**(B.M. Bhandari)**  
Partner  
M. No. : 071232

Place: Indore  
Date: 29.05.2017



**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON  
THE CONSOLIDATED FINANCIAL STATEMENTS OF D & H INDIA LIMITED  
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March, 2017, we have audited the internal financial controls over financial reporting of **D & H INDIA LIMITED** ("the Holding Company") and its subsidiary and associate companies which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary and associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **ABN & Co.**  
Chartered Accountants  
FRN : 004447C

**(B.M. Bhandari)**  
Partner  
M. No. : 071232

Place: Indore  
Date: 29/05/2017

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2017

Particular	Note No.	AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	7,40,00,000	7,40,00,000
(b) Reserves and Surplus	4	22,44,85,148	22,15,76,186
<b>(2) Minority Interest</b>			
		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	5	2,65,89,698	4,09,68,599
(b) Deferred tax liabilities (Net)	6	1,71,94,654	1,63,87,543
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	7	10,34,20,780	8,02,84,921
(b) Trade payables	8	8,98,78,532	9,10,57,250
(c) Other current liabilities	9	4,02,92,352	4,14,69,886
(d) Short-term provisions	10	2,52,23,450	2,11,42,980
<b>Total</b>		<b>60,10,84,617</b>	<b>58,68,87,364</b>
<b>II.Assets</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	11.1	19,99,27,060	21,00,44,107
(ii) In Tangible assets Under Development	11.3	16,25,969	16,25,969
(iii) Goodwill On Consolidation		68,88,212	68,88,212
(b) Non-current investments	12	1,91,074	1,86,336
(c) Long term Loans & advances	13	10,74,946	14,14,350
(d) Other non current assets	14	68,41,177	64,58,487
<b>(2) Current assets</b>			
(a) Inventories	15	20,99,84,780	18,14,49,347
(b) Trade receivables	16	13,33,16,136	14,58,66,780
(c) Cash and cash equivalents	17	1,44,39,312	1,65,28,112
(d) Short-term loans and advances	18	2,67,95,952	1,64,25,665
<b>Total</b>		<b>60,10,84,617</b>	<b>58,68,87,364</b>

The Notes 1-40 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 Accountants**

**FRN-004447C**

**For and on behalf of the Board**

**(B.M. Bhandari)**

**Partner**

**M.No. 071232**

**Place: Indore**

**Date: 29.05.2017**

**(Harsh Vora)**

**Managing Director**

**DIN: 00149287**

**(Rajesh sen)**

**Company Secretary**

**FCS: 7689**

**(Sushil Rawka)**

**Director**

**DIN: 00156990**

**(Sanat Jain)**

**Chief Financial Officer**

## CONSOLIDATED STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31st MARCH, 2017

Particular	Note No.	AS AT 31.03.2017	AS AT 31.03.2016
		RUPEES	RUPEES
I. Revenue from operations(Gross)	19	67,72,89,085	70,66,48,709
Less : Excise Duty		7,50,28,123	8,10,21,324
Revenue from operations(Net)		60,22,60,962	62,56,27,385
II. Other Income	20	15,05,794	32,72,992
<b>III. Total Revenue (I +II)</b>		<b>60,37,66,756</b>	<b>62,89,00,377</b>
IV. Expenses:			
Cost of materials consumed	21	41,46,46,529	41,91,26,998
Purchase of Stock-in-Trade		7,37,161	25,47,235
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	22	(3,53,46,171)	(95,43,635)
Employee benefit expense	23	7,96,98,736	8,85,96,561
Financial costs	24	1,62,69,623	1,33,95,667
Depreciation and amortization expense	11	1,76,58,517	1,79,58,876
Other expenses	25	10,47,36,358	9,16,83,943
<b>Total Expenses</b>		<b>59,84,00,752</b>	<b>62,37,65,644</b>
V. Profit before exceptional and extraordinary items and tax (III - IV)		53,66,003	51,34,733
VI. Prior Period Adjustments		5,04,669	3,98,303
VII. Profit before extraordinary items and tax (V - VI)		48,61,334	47,36,430
<b>VIII. Profit before tax</b>		<b>48,61,334</b>	<b>47,36,430</b>
IX. Tax expense:			
(1) Current tax		11,50,000	12,00,000
(2) Deferred tax		8,07,111	6,26,382
X. Profit/(Loss) from the period from continuing operations (VIII-IX)		29,04,223	29,10,048
<b>XI. Profit/(Loss) for the period( Before Adjustment For Minority Interest)</b>		<b>29,04,223</b>	<b>29,10,048</b>
Add: Share of (Profit) Transferred to Minority Interest		-	-
<b>XII. Profit/(Loss) for the period( After Adjustment For Minority Interest)</b>		<b>29,04,223</b>	<b>29,10,048</b>
XII. Earning per equity share:	26		
(1) Basic		0.39	0.39
(2) Diluted		0.39	0.39

The Notes 1-39 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 Accountants  
FRN-004447C

For and on behalf of the Board

(B.M. Bhandari)  
Partner  
M.No. 071232

(Harsh Vora)  
Managing Director  
DIN: 00149287

(Sushil Rawka)  
Director  
DIN: 00156990

Place: Indore  
Date: 29.05.2017

(Rajesh sen)  
Company Secretary  
FCS: 7689

(Sanat Jain)  
Chief Financial Officer

**CONSOLIDATED CASH FLOW CASH FLOW STATEMENT FOR THE YEAR 2016-17**

	31.03.2017	31.03.2016
<b>A. Cash flow from Operating Activities</b>		
Net profit before tax & Extraordinary items	53,66,003	51,34,733
Adjustment for : Depreciation	1,76,58,517	1,79,58,877
Deferred Revenue Expenditure	-	-
Preliminary Expenditure	-	-
Loss/(Profit) on sale of fixed assets	(5,81,272)	95,734
Other Income	(9,24,522)	(32,72,992)
Interest Paid / Bank Charges	1,62,69,623	1,33,95,517
Operating Profit before working Capital		
Changes Adjustment for:	3,77,88,349	3,33,11,869
Trade & other receivable	1,25,50,644	(3,01,00,812)
Inventories	(2,85,35,433)	25,59,681
Trade Payables & Other Provisions	29,24,219	(1,19,78,431)
Cash generated from Operations	2,47,27,779	(62,07,693)
Direct Tax paid	(12,00,000)	(36,65,000)
Cash flow before extraordinary items	2,35,27,779	(98,72,693)
Extraordinary items	(5,04,669)	(4,65,129)
Net Cash from Operating Activities	2,30,23,109	(1,03,37,822)
<b>B. Cash Flow from Investing Activities</b>		
Purchase of fixed assets	(76,59,199)	(1,18,80,572)
Loans & Advances	(1,15,63,573)	15,75,892
Sale of fixed Assets	6,99,000	-
Interest received / Misc Receipts	8,94,878	32,04,344
Purchase/ Sale of Non Current Investments	-	26,98,316
Dividend Income	29,644	68,648
Net cash used in Investing Activities	(1,75,99,250)	(43,33,372)
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from issue of Share Capital	-	-
Proceeds from long term & Short term borrowings	87,56,958	3,73,30,271
Interest Paid	(1,62,69,623)	(1,33,95,517)
Dividend Paid (Including Dividend Distribution Tax)	-	(44,53,233)
Net cash used in Financing Activities	(75,12,665)	1,94,81,521
<b>Net increase in Cash and Cash equivalent (A+B+C)</b>	<b>(20,88,800)</b>	<b>48,10,328</b>
<b>Cash &amp; Cash Equivalents As at 01.04.2016</b>	<b>1,65,28,112</b>	<b>1,17,17,785</b>
<b>Cash &amp; Cash Equivalents As at 31.03.2017</b>	<b>1,44,39,312</b>	<b>1,65,28,113</b>

As per our report of even date attached  
for and on behalf of M/s ABN & CO.  
Chartered Accountants  
FRN-004447C

For and on behalf of the Board

(B.M. Bhandari)  
Partner  
M.No. 071232

(Harsh Vora)  
Managing Director  
DIN: 00149287

(Sushil Rawka)  
Director  
DIN: 00156990

Place: Indore  
Date: 29.05.2017

(Rajesh sen)  
Company Secretary  
FCS: 7689

(Sanat Jain)  
Chief Financial Officer

## SIGNIFICANT ACCOUNTING POLICIES ON CONSOLIDATED ACCOUNTS

### **1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

These consolidated financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 as applicable. The financial statements have been prepared under the historical cost convention on accrual basis, except for certain financial instruments which are measured at fair value.

### **2. PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements relate to D & H India Limited ('the Company') and its subsidiary & Associate Company. The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions in accordance with Accounting Standard (AS)21 - "Consolidated Financial Statements"
- b) The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Goodwill or Capital Reserve, as the case may be.
- c) Minority Interest's share of net profit of consolidated subsidiary for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- d) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- e) The consolidated financial statements are prepared using uniform accounting policies are presented in the same manner as the Company's standalone financial statements.
- f) Investment in associate company has been accounted under the equity method as per accounting standard (AS)-23 "Accounting for Investment in Associate in consolidated financial statement"
- g). Other significant accounting policies

These are set out under "Significant Accounting Policies" as given in the Company's standalone financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
<b>3</b>	<b>Share Capital</b>		
	<b>Equity Share Capital :</b>		
	Authorised Share capital	10,00,00,000	10,00,00,000
	10000000 Equity Shares of Rs.10/- Each Issued, subscribed & fully paid share capital	7,40,00,000	7,40,00,000
	7400000 Equity Shares of Rs.10/- each (Fully Paid up)		
	<b>Total</b>	<b>7,40,00,000</b>	<b>7,40,00,000</b>
<b>3.1</b>	<b>Reconciliation of Number of Shares</b>		
	<b>Equity Shares :</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	Balance as at the beginning of the year	74,00,000	74,00,000
	Add : Shares Issued During the period	-	-
	Balance As at the end of the year	<u>74,00,000</u>	<u>74,00,000</u>
<b>3.2</b>	<b>Terms/Rights attached to equity Shares</b>		
	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.		
<b>3.3</b>	<b>Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
	<b>Equity Shares :</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
	1. Corna Infra Limited	8,06,000 (10.89%)	806,000 (10.89%)
	2. Harsh Vora (HUF)	6,73,600 (9.10%)	673,600 (9.10%)
	3. Suchita Kakrecha	5,37,085 (7.26%)	537,085 (7.26%)
<b>3.4</b>	Nil Equity Shares were issued in the last 5 year under the employee Stock Options plan as consideration for services rendered by employees.		
<b>4</b>	<b>Reserves and Surplus</b>		
	<b>Capital Reserves</b>		
	Balance As Per last Balance Sheet	1,58,00,000	1,58,00,000
		-	-
	<b>Total</b>	<b>1,58,00,000</b>	<b>1,58,00,000</b>
	<b>Securities Premium Reserve</b>		
	Balance As Per last Balance Sheet	2,94,34,800	2,94,34,800
	Add : Premium on Warrant converted in shares	-	-
	<b>Total</b>	<b>2,94,34,800</b>	<b>2,94,34,800</b>
	<b>General Reserve</b>		
	Balance As Per last Balance Sheet	6,80,00,000	6,80,00,000
	Add : Amount Transferred from Surplus Balance in Statement of profit & Loss		
	<b>Total</b>	<b>6,80,00,000</b>	<b>6,80,00,000</b>

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
	<b>Surplus in the statement of Profit and loss</b>		<b>10,42,98,612</b>
	Balance as per last financial statements	10,83,41,386	10,54,27,504
	Profit for the Year	29,04,223	29,10,048
	Share in profit of Commonwealth Mining Pvt. Ltd (Net)	4,738	3,834
	Less : Appropriations/Allocations	-	-
	<b>Total</b>	<b>11,12,50,348</b>	<b>10,83,41,386</b>
	<b>Gross Total</b>	<b>22,44,85,148</b>	<b>22,15,76,186</b>
<b>5</b>	<b>Long-term borrowings Secured</b>		
	Term Loans from Banks :		
	a) HDFC Bank Ltd. (Term Loan)	2,30,08,629	3,29,52,526
	b) HDFC Bank Ltd. (Car Loan)	5,30,585	1,438,538
	c) HDFC Bank Ltd.(WCTL)	-	44,47,535
	Term Loans from Others:		
	a) Toyota Financial Services Ltd.(Car Loan)	11,20,484	-
	<b>Un Secured</b>		
	Other Loans & Advances	19,30,000	21,30,000
	<b>Total</b>	<b>2,65,89,698</b>	<b>4,09,68,599</b>

#### 5.1 Nature of Security and terms of repayment for secured borrowings

##### Nature of Security

##### Terms of Repayment

- |  |  |
|--|--|
| <p>a) Term Loan From HDFC Bank amounting Rs. 50/- Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts &amp; Plant &amp; Machinery. &amp; Collateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar &amp; industrial property situated at village: Borai, District Durg, chattisgarh, post dated cheques &amp; Personal Guarantee of Mr. Harsh Vora &amp; Mr. Madhusudan Jain.</p>                 | <p>Repayble in 60 Month installment of Rs. 112617/-@ BR+2.55% starting from 07/05/2014</p> |
| <p>b) Term Loan From HDFC Bank amounting Rs. 150/ Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts &amp; Plant &amp; Machinery. &amp; Collateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar &amp; industrial property situated at village: Borai, District Durg, Chattisgarh, post dated cheques &amp; Personal Guarantee of Mr. Harsh Vora &amp; Mr. Madhusudan Jain.</p>                 | <p>Repayble in 60 Month installment of Rs. 337851/-@ BR+2.55% starting from 07/06/2014</p> |
| <p>c) Working capital Term Loan From HDFC Bank amounting Rs. 175/- Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts &amp; Plant &amp; Machinery.&amp; Collateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar &amp; industrial property situated at village: Borai, District Durg, chattisgarh, post dated cheques &amp; Personal Guarantee of Mr. Harsh Vora &amp; Mr. Madhusudan Jain.</p> | <p>Repayble in 36 Month installment of Rs. 581250/-@ BR+2.55% starting from 07/12/2014</p> |



Note No	AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1 2	3	4
d) Four Vehicle Loans from HDFC Bank amounting to Rs. 33.20/- Lakhs (Previous Year Two vehicle loan amounting Rs. 15.45/-Lakhs) is secured against respective Vehicles.	All loans Repayable in 36 Monthly installment INSTALLMENT RATE STARTING FROM 21127/- 10.50% 05/08/2014 29090/- 10.50% 07/12/2014 18622/- 10.25% 07/09/2015 38636/- 9.85% 05/04/2016	
e) Term Loan From HDFC Bank amounting Rs. 300/ Lakhs is secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery. & Collateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, Chattisgarh, post dated cheques & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.	Repayable in 60 Month installment of Rs. 671130/- @ BR+2.55% starting from 15/10/2015	
Working Capital Demand Loan From HDFC - Bank amounting Rs. 500/-Lakhs (Previous Year 500/- Lakhs) 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 36 Month installment of Rs. 15,65,656/- @ BR+2.55% starting from 03/08/2012	
f) One Vehicle Loans from TOYOTA FINANCIAL SERVICES INDIA LIMITED amounting to Rs. 20.00/- Lakhs is secured against respective Vehicles.	All loans Repayable in 36 Monthly installment INSTALLMENT RATE STARTING FROM 63850/- 8.97% 23/10/2016	
<b>6 Deferred Tax Liability (Net)</b>		
Deferred Tax Liability on timing difference on account of difference between written down value of fixed assets under the companies Act, 2013 and the Income Tax Act, 1961.	<b>1,89,92,179</b>	1,81,88,661
Deferred Tax Assets on Other timing Differences U/s 43B of I.T. Act, 1961	<b>17,97,525</b>	18,01,118
<b>Total</b>	<b>1,71,94,654</b>	<b>1,63,87,543</b>
6.1 Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing		
<b>7 Short-terms Borrowing Secured From Bank</b>		
Loan repayable on demand from HDFC Banks (CC A/C)	<b>2,63,86,629</b>	76,24,585
LC & Buyers Credit of HDFC Bank	<b>5,01,96,762</b>	4,99,43,103
Channel Finance Facility From Axis Bank	<b>1,50,63,543</b>	36,22,850
<b>Unsecured</b>		
Froms Directors	<b>35,98,862</b>	81,83,045
From Others	<b>81,74,984</b>	1,09,11,338
<b>Total</b>	<b>10,34,20,780</b>	<b>8,02,84,921</b>

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
7.1	Working capital limit and LC/Buyers Credit limit are secured by way of Hypothecation by First and exclusive charges of Stock, Book debts & Plant & Machinery & Collateral security by way of first mortgage of industrial property situated at village: Sejwaya, Gram Ghatabillod, District Dhar & industrial property situated at village: Borai, District Durg, Chattisgarh, Post dated cheques & Personal Guarantee of Mr. Harsh Vora & Mr. Madhusudan Jain.		
7.2	Channel Finance facility From Axis Bank are secured by post dated cheques.		
7.3	Unsecured Loan Taken from Directors are from their owned fund & Maximum tenure of repayment of unsecured loan is within six month.		
7.4	Interest on unsecured loan is provided @ 12% P.A.		
<b>8</b>	<b>Trade Payables</b>		
	(i) Total Outstanding dues of micro & small enterprises	-	-
	(ii) Total Outstanding dues of creditors other than micro and small enterprises	<b>8,98,78,532</b>	9,10,57,250
	<b>Total</b>	<b><u>8,98,78,532</u></b>	<b><u>9,10,57,250</u></b>
8.1	In the absence of information from all suppliers of their status being small / micro enterprises, all the units are classified into other.		
<b>9</b>	<b>Other current liabilities</b>		
	Current maturities of long term debt	<b>1,59,30,618</b>	1,59,16,608
	Sundry Staff Payable	<b>29,04,742</b>	44,80,399
	Interest Accrued but not due on borrowings	<b>2,43,633</b>	3,49,284
	Cheque In Transit	<b>43,15,572</b>	51,70,994
	<b>Other Payables</b>		
	Advance Received From Customer	<b>69,11,189</b>	47,11,626
	Dealer Deposits	<b>38,44,842</b>	40,04,842
	Statutory Dues Payables	<b>20,34,461</b>	29,30,092
	Others	<b>41,07,296</b>	39,06,041
	<b>Total</b>	<b><u>4,02,92,352</u></b>	<b><u>4,14,69,886</u></b>
<b>10</b>	<b>Short-term provisions</b>		
	Provision for employee benefits	<b>31,52,931</b>	29,76,432
	Provision for Income Tax (Net of Advance Tax)	<b>11,50,000</b>	1,200,000
	Others*	<b>2,09,20,519</b>	16,966,548
	<b>Total</b>	<b><u>2,52,23,450</u></b>	<b><u>21,142,980</u></b>
10.1	Other Short term provisions includes the diff. of excise duty on opening & closing stock of finished goods.		

**Note -11.1- TANGIBLE ASSETS**

Particulars	Gross Block			Depreciation					Net Block	
	As On 01.04.16 Rupees	Total Addition Rupees	Total Deduction Rupees	As On 31.03.17 Rupees	Up To 31.03.16 Rupees	For The Year Rupees	Written Back Rupees	Up To 31.03.17 Rupees	As On 31.03.17 Rupees	As On 31.03.16 Rupees
Lease Hold Land	49,94,321	-	-	49,94,321	-	-	-	-	49,94,321	49,94,321
Free Hold Land	48,53,296	-	-	48,53,296	-	-	-	-	48,53,296	48,53,296
Office Building	25,04,370	-	-	25,04,370	9,51,866	3,44,475	-	12,96,341	12,08,029	15,52,504
Factory Building	9,76,57,320	69,844	-	9,77,27,164	1,96,00,859	28,77,620	-	2,24,78,479	7,52,48,685	7,80,56,461
Plant & Machinery	14,19,44,358	2,707,930	-	14,46,52,288	4,35,87,966	1,13,17,853	-	5,49,05,819	8,97,46,468	9,83,56,392
Electric Installation	1,53,02,622	8,10,554	-	1,61,13,176	55,35,711	17,88,938	-	73,24,650	87,88,526	97,66,911
Laboratory Equip.	6,84,645	68,415	-	7,53,059	2,01,950	45,411	-	2,47,361	5,05,699	4,82,695
Vehicles	99,99,995	30,74,115	20,000	1,30,54,110	3206,979	1,27,880	5,070	33,29,789	97,24,321	67,93,016
Commercial Vehicle	25,61,836	-	20,55,970	5,05,866	24,33,744	-	1,953,172	4,80,572	25,294	1,28,092
Furniture & Fixtures	51,62,709	1,78,903	-	53,41,612	20,45,152	5,95,598	-	26,40,750	27,00,862	31,17,557
Office Equipment	29,05,874	3,75,061	-	32,80,935	13,78,001	5,16,702	-	18,94,704	13,86,231	15,27,873
Computers	18,85,500	1,95,288	-	20,80,788	14,70,513	44,038	-	15,14,551	5,66,237	4,14,987
Nursery Shed	-	1,79,090	-	1,79,090	-	-	-	-	1,79,090	-
<b>Total</b>	<b>29,04,56,846</b>	<b>76,59,199</b>	<b>20,75,970</b>	<b>29,60,40,075</b>	<b>8,04,12,741</b>	<b>1,76,58,517</b>	<b>19,58,242</b>	<b>9,61,13,015</b>	<b>19,99,27,060</b>	<b>21,00,44,105</b>
Previous Year	27,93,74,610	1,17,63,743	6,81,507	29,04,56,846	6,27,59,777	17,958,876	305,915	80,412,740	210,044,107	216,614,833
<b>Note No</b>					<b>AS AT 31.03.2017</b>			<b>AS AT 31.03.2016</b>		
<b>1</b>	<b>2</b>					<b>RUPEES</b>			<b>RUPEES</b>	
						<b>3</b>			<b>4</b>	

**Note -11.2 - Intangible Assets under development include SAP under development.**

**12 Non-current investments****Trade Investments**

Investment in Unquoted Equity instrument 36,675 31,937

**Other Investment**

Investments in Quoted Equity instruments 1,54,399 1,54,399

**Total** 1,91,074 1,86,336

a	Quoted Shares	Quantity	Amount	Quantity	Amount
	Tata Consultancy Services Face Value Rs. 1.00	616	1,30,900	616	1,30,900
	Hindalco Industries	200	8,810	200	8,810
	National Aluminium	400	14,689	400	14,689
	Aggregate amount of quoted investments		1,54,399		1,54,399
	Market Value of quoted investments		15,67,599		15,85,895
b	Unquoted Shares	Quantity	Amount	Quantity	Amount
	Commonwealth Mining Pvt.Ltd (As per Equity Method)	9,000	36,675	9,000	31,937
	Aggregate amount of unquoted investments		36,675		31,937

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
<b>13</b>	<b>Long term Loans &amp; Advances</b>		
	Security Deposit	10,74,946	14,14,350
	<b>Total</b>	<b>10,74,946</b>	<b>14,14,350</b>
<b>14</b>	<b>Other non-current assets</b>		
	Security Deposits	51,54,919	51,49,487
	Deposits & Advances	16,86,258	13,09,000
	<b>Total</b>	<b>68,41,177</b>	<b>64,58,487</b>
<b>15</b>	<b>Inventories</b>		
	Raw materials	5,38,62,711	6,19,60,486
	Work in progress	1,86,86,767	1,90,15,248
	Finished goods	13,16,72,269	9,43,54,307
	Stock in trade	11,11,521	27,54,831
	Stores and spares	46,51,512	33,64,475
	<b>Total</b>	<b>20,99,84,780</b>	<b>18,14,49,347</b>
<b>16</b>	<b>Trade receivables Unsecured &amp; considered good :</b>		
	Exceeding Six months	3,44,05,248	4,09,50,352
	Others	9,89,10,888	10,49,16,428
	<b>Total</b>	<b>13,33,16,136</b>	<b>1458,66,780</b>
<b>17</b>	<b>Cash and cash equivalents</b>		
	Balances with banks in India	8,44,114	38,99,476
	Cash on hand	16,31,852	17,29,213
	FDR with Banks	1,19,63,346	1,08,99,423
	<b>Total</b>	<b>1,44,39,312</b>	<b>1,65,28,112</b>
17.1	Fixed Deposit maintained by the company with bank, which can be withdrawn by the company at any point of time.		
<b>18</b>	<b>Short term loans and advances</b>		
	Unsecured Considered good		
	Other Loans and advances *	1,56,02,418	62,27,819
	Balance with Government Authorities	1,04,97,637	95,86,068
	Prepaid Expenses	6,95,897	6,11,778
	<b>Total</b>	<b>2,67,95,952</b>	<b>1,64,25,665</b>
18.1	*Other Loans and advances includes Advance to Vendors / Service Providers.		
<b>19</b>	<b>Revenue from Operations</b>		
	Revenue from - Sale of products/Contract	67,72,07,975	70,65,82,571
	Other operating revenues	81,110	66,138
	<b>Total</b>	<b>67,72,89,085</b>	<b>70,66,48,709</b>
19.1	<b>Particulars Of Sale of Products</b>		
	Electrodes , Flux, Wire etc.	67,51,32,877	69,71,26,346
	Wires & Electrodes (Trading)	8,24,522	75,83,928
	Contract receipt	12,50,576	18,72,297
	<b>Total</b>	<b>67,72,07,975</b>	<b>70,65,82,571</b>
<b>20</b>	<b>Other Income</b>		
	Interest income	7,93,910	10,46,526
	Dividend income	29,644	68,648
	Other non-operating income	6,82,240	21,57,818
	<b>Total</b>	<b>15,05,794</b>	<b>32,72,992</b>
<b>21</b>	<b>Cost of Material Consumed</b>		
	Imported	2,13,95,149	8,21,43,710
	% of Consumption	5.16%	19.61%

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
	Indigenous	39,32,58,380	33,67,73,177
	% of Consumption	94.84%	80.39%
21.1	<b>Particulars of Material consumed</b>		
	Wire, Chemicals, Packing Material	41,46,46,529	41,91,26,998
22	<b>Changes In Inventories of Finished Goods, Stock-In-Process And Stock-In-Trade</b>		
	<b>Inventories at Close</b>		
	Finished Goods	13,16,72,269	9,43,54,307
	Semi Finished Goods	1,86,86,767	1,90,15,248
	Stock In Trade	11,11,521	27,54,831
	<b>Total</b>	15,14,70,557	11,61,24,386
	<b>Inventories at Commencement</b>		
	Finished Goods	9,43,54,307	8,12,66,092
	Semi Finished Goods	1,90,15,248	1,88,73,674
	Stock In Trade	27,54,831	64,40,985
	<b>Total</b>	11,61,24,386	10,65,80,751
	<b>Increase In Inventories</b>	(3,53,46,171)	(95,43,635)
23	<b>Employee Benefits Expense</b>		
	Salaries and wages	7,27,30,240	8,20,72,856
	Contribution to provident and other funds	53,75,796	49,24,926
	Staff welfare expenses	15,92,699	15,98,779
	<b>Total</b>	7,96,98,736	8,85,96,561
23.1	As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :		
	<b>a) Short Term Employee Benefits</b>		
	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.		
	<b>b) Long Term Benefits</b>		
	<b>Defined Contribution Plans :</b>		
	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.		
	Employers Contribution to Provident fund & ESI	5,375,796	4,924,926
	<b>Defined Benefit plans :</b>		
	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. 1,01,846/- for future gratuity benefits of the employees of company.		
	b. Company has made provision for benefit related to the leave encashment as per the policy of the company.		
24	<b>Finance Costs</b>		
	Interest expenses	1,41,16,589	1,10,01,466
	Other borrowing costs	21,53,034	23,94,201
	<b>Total</b>	1,62,69,623	1,33,95,667
24.1	Interest expenses is net of Interest Subsidy received from DIC Dhar for Ghatabillod Unit amounting to Rs. C.Y.739406 /- P.Y. 699569/-		

Note	AS AT 31.03.2017	AS AT 31.03.2016	
No	RUPEES	RUPEES	
1 2	3	4	
<b>25</b>	<b>Other Expenses</b>		
	<b>Manufacturing Expenses :</b>		
	Consumption of stores and spare parts & Others(Indigenous)	49,24,262	26,51,356
	Power and fuel	2,31,05,408	2,36,62,266
	Repairs to buildings	6,99,741	9,59,413
	Repairs to machinery	31,22,144	35,73,480
	Repairs to others	5,26,816	4,79,094
	Laboratory Expenses	5,09,268	5,09,364
	Packing & Other Expenses	2,06,734	67,986
	Difference In Excise Duty on Opening / Closing Stock	37,85,286	(4,55,557)
	<b>Administrative Expenses :</b>		
	Rates and Taxes, excluding taxes on income	4,75,726	4,78,352
	Rent	8,99,935	2,74,883
	Printing & Stationery	7,90,699	6,63,688
	Postage & Telegram	5,37,953	3,62,436
	Telephone Charges	13,01,872	13,44,589
	Travelling Exp. (Directors)	8,74,712	12,91,910
	Travelling Exp. Staff & others	17,00,507	22,37,646
	Vehicle Expenses	37,56,670	41,23,921
	Payment To Auditors	1,15,885	2,21,885
	Legal & Professional Charges	72,04,611	36,80,070
	Membership & Testing Fees	24,96,591	19,68,016
	Exc.Diff,In.Foreign.Currency	2,16,323	4,89,010
	Insurance Expenses	8,07,886	9,37,664
	Office General & Misc. Exp.	25,07,895	16,34,516
	Loss on sale of assets	-	95,734
	Director's Sitting Fees	1,70,000	1,60,000
	Donation	1,91,300	81,300
	Loss on Sale of Investment	-	68,767
	Liquidated damages	-	62,011
	<b>Selling &amp; Distribution Expense :</b>		
	Duties & Taxes	2,31,97,202	23,195,273
	Freight & Cartage Outward	1,01,65,319	9,571,053
	Advertisement & Publicity	1,06,657	133,261
	Sales Promotion etc.	18,90,451	17,67,570
	Commission & Discount	77,65,331	5,083,992
	Bad Debts Written off	6,83,174	308,993
	<b>Total</b>	<b>10,47,36,358</b>	<b>9,16,83,943</b>
<b>25.1</b>	The Excise duty related to the difference between the closing stock and opening stock Rs. 37,85,286 /- (Previous Year Rs.4,55,557/-) has been shown in other manufacturing expenses and excise duty related to sales amounting to Rs.7,50,28,123/- .(Pr.Yr. Rs.8,10,21,324/-) has been reduced from gross sales		
<b>25.2</b>	<b>Payment to Auditors</b>		
i	Audit Fees	81,450	81,450
ii	Tax Audit Fees	33,435	33,435
iii	Other Services	-	1,00,000
iv	Certification fees	1,000	7,000
	<b>Total</b>	<b>1,15,885</b>	<b>2,21,885</b>

Note No		AS AT 31.03.2017 RUPEES	AS AT 31.03.2016 RUPEES
1	2	3	4
<b>26</b>	<b>Earning Per Share</b>		
i	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	<b>29,04,223</b>	29,10,048
ii	Weighted Average number of equity shares used as denominator for calculating EPS	<b>74,00,000</b>	74,00,000
iii	Basic earning per share	<b>0.39</b>	0.39
iv	Diluted earning per share	<b>0.39</b>	0.39
v	Face Value per equity share	<b>10</b>	10

**27 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 :-

**Key Managerial Persons**

Shri Harsh Vora (Managing Director)

Shri Madhusudan Jain (Whole Time Director)

Shri Saurabh Vora (Whole Time Director)

Smt. Atithi Vora (Whole Time Director)

Shri V. Manoharan (Director)

Shri Sanat Jain (Chief Financial Officer)

Shri Rajesh Sen ( Company Secretary)

**Enterprises Over which Key Managerial Person are able to Exercise Significant Influence**

Vora Wires Industries (India) Limited

Corna Infra Limited

**Relative Of Key Managerial Person**

Shri Saurabh Vora

Smt. Atithi Vora

**Transactions with related Parties**

Nature of Transactions	31.03.2017	31.03.2016
Sale of Goods	<b>36,931</b>	6,21,952
Purchase of Capital Goods	-	9,50,000
Purchase of Raw Material	<b>7,24,233</b>	-
Receiving of Services		1,56,000
Unsecured Loan Taken	<b>2,67,00,000</b>	2,91,70,000
Repayment of Unsecured Loan	<b>3,54,21,122</b>	2,49,83,065
Interest Paid	<b>16,95,095</b>	22,99,315
Remuneration to Director	<b>1,40,14,027</b>	2,11,58,388
Remuneration to other Key Managerial Person	<b>19,13,984</b>	19,20,484
<b>Outstanding Balances As on 31.03.2017</b>		
Trade & Other Receivables	<b>41,522</b>	23,914
Trade & Other Payables	<b>1,64,60,684</b>	2,23,78,437

**28** Enterprises consolidated as subsidiary & Associates in accordance with Accounting Standard 21/23 in Consolidated Financial statement

S.NO	Name of Enterprises	Country of Incorporation	Proportion of Ownership Interest
1	V & H Fabricators Private Limited	India	100%
2	Commonwealth Mining Private Limited	India	50%
29	Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises		

Part-A	Name of the Enterprise	Net Assets i.e Total Assets Minus Total Liabilities	
		As % of Consolidated Net assets	Amount (In Rupees)
	<b>Parent</b>		
	D & H India Limited	94.19	279,334,389
	<b>Subsidiaries</b>		
	<b>India</b>		
	V & H Fabricators Private Limited	5.80	17,195,908
	<b>Foreign</b>	Nil	Nil
	<b>Minority Interest In All Subsidiaries</b>	-	-
	<b>Associates (Investment As Per the Equity Method)</b>		
	<b>India</b>		
	Commonwealth Mining Private Limited	0.01	36,675
	<b>Foreign</b>	Nil	Nil
	<b>Joint ventures (As per Proportionate consolidation / Investment As per Equity Method)</b>		
	<b>India</b>	Nil	Nil
	<b>Foreign</b>	Nil	Nil
	<b>Total</b>	<b>100.00</b>	<b>29,65,66,972</b>

Part-B	Name of the Enterprise Profit or Loss	Share In Profit Or Loss	
		As % of Consolidated	Amount (In Rupees)
	<b>Parent</b>		
	D & H India Limited	122.86	35,73,990
	<b>Subsidiaries</b>		
	<b>India</b>		
	V & H Fabricators Private Limited	(23.02)	(6,69,767)
	<b>Foreign</b>	Nil	Nil
	<b>Minority Interest In All Subsidiaries</b>	-	-
	<b>Associates (Investment As Per the Equity Method)</b>		
	<b>India</b>		
	Commonwealth Mining Private Limited	0.16	4,738
	<b>Foreign</b>	Nil	Nil
	<b>Joint ventures (As per Proportionate consolidation / Investment As per Equity Method)</b>		
	<b>India</b>	Nil	Nil
	<b>Foreign</b>	Nil	Nil
	<b>Total</b>	<b>100.00</b>	<b>29,08,961</b>

- 30 Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)- AOC-I



**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs )

1.	<b>Sl. No.</b>	<b>1</b>
2.	<b>Name of the subsidiary</b>	<b>V &amp; H Fabricators Private Limited</b>
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR
5.	Share Capital	5,125,000
6.	Reserves & Surplus	12,070,908
7.	Total Assets	22,621,933
8.	Total Liabilities	5,426,024
9.	Investments	-
10.	Turnover	2,010,747
11.	Profit before taxation	(478,400)
12.	Provision for taxation(Including Deffered Tax)	191,367
13.	Profit After taxation	(669,767)
14.	Proposed Dividend	-
15.	% of Share Holding	100
1.	Names of subsidiaries which are yet to commenceperations	N.A
2.	Names of subsidiaries which have been liquidated or sold during the year	N.A

**Part "B": Associates and Joint Ventures****Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>S.NO</b>	<b>1</b>
<b>Name of Associates/Joint Ventures</b>	<b>COMMONWEALTH MINING PRIVATE LIMITED</b>
1. Latest audited Balance Sheet Date	31/03/2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
Numbers of Share	9,000
Amount of Investment in Associates/Joint Venture	90,000
Extend of Holding %	50%
3. Description of how there is significant influence	Share holding Upto 50%
4. Reason why the associate/joint venture is not consolidated	N.A
5. Networth attributable to Shareholding as per latest audited Balance Sheet	36,675
6. Profit / Loss for the year	
i. Considered in Consolidation	4,738
i. Not Considered in Consolidation	4,738
1. Names of associates or joint ventures which are yet to commence operations.	<b>COMMONWEALTH MINING PRIVATE LIMITED</b>
2. Names of associates or joint ventures which have been liquidated or sold during the year.	<b>N.A</b>

31 Various items included under the head Current Assets, Loan & Advances, as well as Current Liabilities are subject to confirmation / reconciliation.

32 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.

33 Amortization of lease hold land is not being done as the same is on perpetual lease.

34 **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.

35 **Contingent Liabilities & Commitments (To the Extent not provided for)**

i	Guarantees given on behalf of the company	29,06,000	30,09,000
ii	CST Demand (in appeal)	47,58,537	52,43,996
iii	VAT Demand (in appeal)	-	11,80,167
iv	Entry Tax Demand (in appeal)	4,81,280	3,68,460
	<b>Total</b>	<b>81,45,817</b>	<b>98,01,623</b>

35.1 Some of the cases are pending before the Hon'ble courts but management believes that the ultimate outcome of these proceedings will not have a material adverse effects on the Company's financial position and results of operation.

36 **Value of Imports on (CIF Basis)**

Raw Material	2,50,47,072	9,42,74,773
Capital Goods	-	-
Trading Goods	95,606	-
<b>Total</b>	<b>2,51,42,678</b>	<b>9,42,74,773</b>

37 **Expenditure in foreign exchange**

2,51,42,678 9,42,74,773

38 **Earning in foreign exchange**

FOB Value of Export 1,870,290 19,70,216

39 These Consolidated financial statements have been prepared in the format prescribed by the revised Schedule III to the companies Act 2013. Previous period figures have been recasted/ restated to confirm to the current period. Figures have been rounded off to the nearest Rupee.

40 **Details of Specified Bank Notes (SBN) held & transacted during the period 08/11/2016 to 30/12/2016**

	SBNs	Other Denomination Notes	Total
Closing Cash In Hand As on 08.11.2016	14,50,000	5,15,639	9,55,977
(+) Permitted Receipts	-	14,90,000	14,40,000
(-) Permitted Payments	-	7,81,393	7,81,393
(-) Amount Deposited In Banks	14,50,000	-	7,00,000
Closing Cash In Hand As on 30.12.2016	-	9,14,584	9,14,584

40.1 Permitted receipts of "Other Denomination Notes" include amount withdrawn from bank amounted to Rs 14,90,000.

As per our report of even date attached

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

For and on behalf of the board

Chartered Accountants

FRN-004447C

(B.M. Bhandari)  
Partner DIN: 00149287  
M.No. 071232  
Place: Indore  
Date: 29.05.2017

(Harsh Vora)  
Managing Director  
DIN: 00156990

(Rajesh sen)  
Company Secretary  
FCS: 7689

(Sushil Rawka)  
Director  
DIN: 00156990

(Sanat Jain)  
Chief Financial Officer

**PROXY FORM  
FORM MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**D & H INDIA LIMITED**

CIN: L28900MH1985PLC035822

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

Name of the member (s) : .....

Registered Address : .....

E-mail Id : .....

Folio No./DP ID/Client ID : .....

I/We, being the member(s) of ..... Shares of the above named Company, hereby appoint:

1. Name : .....

Address : .....

Email Id : .....

Sign : ..... or failing him

2. Name : .....

Address : .....

Email Id : .....

Sign : ..... or failing him

as my/our proxy to attend and vote on a poll for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on 29th September, 2017 at 10.00 a.m. at Lavender Bough, Next to Swaminarayan Temple, 90 feet Road Garodia Nagar, Ghatkopar (East), Mumbai - 400077 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolutions
1. To receive, consider and adopt the Standalone and Consolidated Financial Statements containing the Audited Balance Sheet as at 31st March, 2017 and the statement of Profit & Loss and Cash Flow Statement of the Company for the year ended 31st March, 2017 and the Reports of the Board and Auditors thereon.
2. To re-appoint Mr. Sushil Rawka (DIN: 00156990), as a director who retires by rotation.
3. To Appointment of M/s M S Dahiya & Co., Chartered Accountant, as Statutory Auditors of the Company and fixing their Remuneration.
4. To re-appoint Mrs. Atithi Vora (DIN: 06899964), as a Director of the Company.
5. To re-appoint Mr. Saurabh Vora (DIN: 02750484), as a Whole Time Director of the Company
6. To re-appoint Mr. Harsh Vora (DIN: 00149287), as a Managing Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.      **Signature of Shareholder**      Signature of Proxy holder (s)

**Notes:**

**(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**

Intentionally Left Blank

**D & H INDIA LIMITED**

CIN: L28900MH1985PLC035822

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

**ADMISSION SLIP**

EquityFolio No. :

DP ID\* :

Client ID\* :

No. of Shares held. :

No. of Shares held :

I hereby record my presence at the 32<sup>nd</sup> Annual General Meeting of the Company being held at Lavender Bough, 90 feet Road Garodia Nagar, Ghatkopar (East), Mumbai - 400077 on Friday the 29<sup>th</sup> day of September, 2017 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

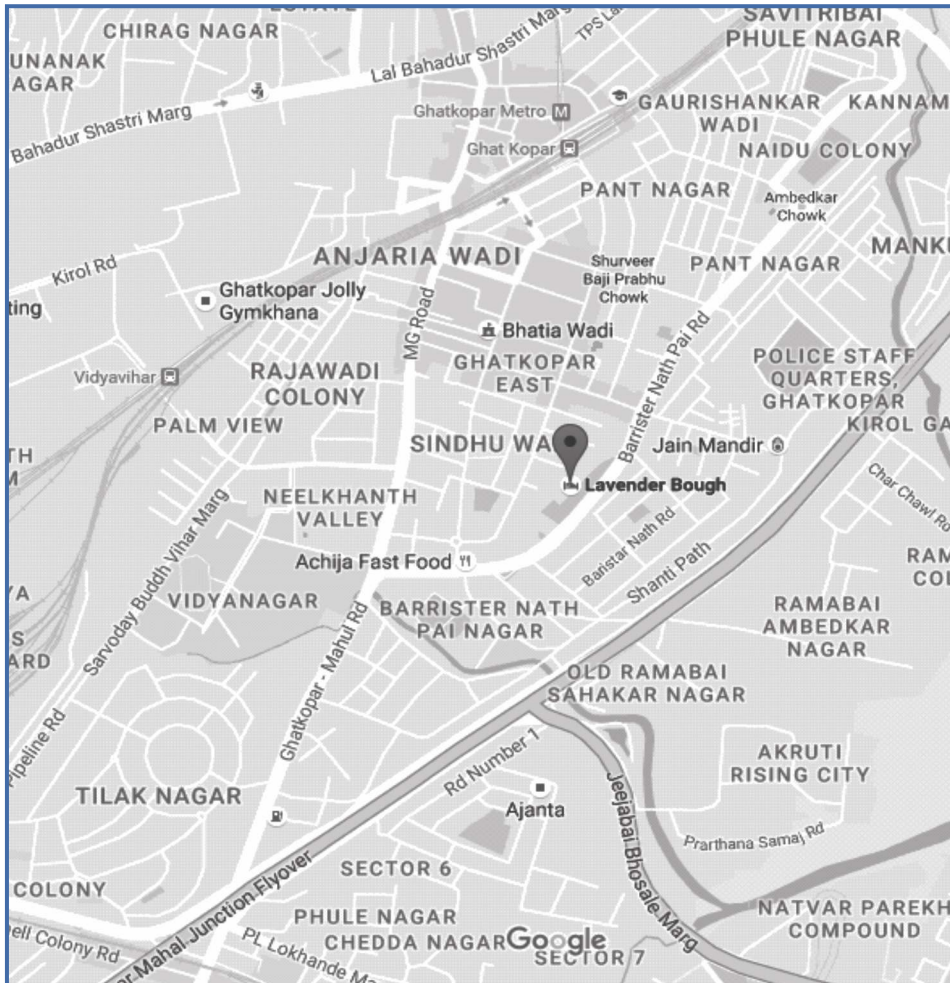
**Note:** A member/ proxy wishing to attend the meeting must complete this Admission slip before coming to the meeting and hand it over at the entrance.

\* Applicable for investors holding shares in electronic form.

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### Route Map of AGM Venue

Venue: Lavender Bough, 90 feet Road, Garodia Nagar, Ghatkopar (East), Mumbai - 400077





Return if not delivered :

# D & H INDIA LIMITED

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

CIN:L28900MH1985PLC035822

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

To,

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