



# **DIAMANT CARBON & GRAPHITE PRODUCTS LTD.**

**ANNUAL REPORT 1998-99**

## **DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED**

### **BOARD OF DIRECTORS**

Sanat M. Shah	-	Chairman
Ashwin B. Zaveri	-	Vice Chairman (Up to 08-06-1999)
Jitendra J. Dalal	-	Vice Chairman
Rashid A. Maskati	-	Director
Harshad H. Vasa	-	Director
Udgit J. Dalal	-	Wholetime Director

### **COMPANY SECRETARY**

Vatsal I. Desai

### **AUDITORS**

C. C. Chokshi & Co.  
Chartered Accountants

### **BANKERS**

Syndicate Bank

### **REGISTERED OFFICE**

212/B, G.I.D.C. Estate,  
Mehsana - 384 002 (N.G.)

### **HEAD OFFICE**

64, Shahid Bhagatsingh Road,  
Fort, Mumbai - 400 023.

### **NINETEENTH ANNUAL GENERAL MEETING**

Date	:	25th September, 1999
Day	:	Saturday
Time	:	11.30 a.m.
Venue	:	Registered Office

## DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED

### NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of Members of DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED, will be held at its Registered Office at 212/B, GIDC ESTATE, MEHSANA - 384002 (N.G.) on Saturday, 25th September 1999 at 11.30 a.m. to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March 1999 and Profit and Loss Account for the year ended 31st March 1999 and reports of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the year ended 31st March 1999.
3. To appoint a Director in place of Mr. R. A. Maskati who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. S. M. Shah who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS

6. To consider and, if though fit, to pass with or without modifications, the following resolution :  
As a Special Resolution  
RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the manner and to the extent hereafter set out :-

The following new Articles 19A and 19B be inserted after the present Article 19.

- 19A i) Every holder of Shares in, or holder of Debentures of, the Company may, at any time, nominate, in the prescribed manner under Section 109A of the Act, a person to whom his shares in, or Debentures of, the Company shall vest in the event of his death. Nomination of Shares
- ii) Where the Shares in, or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, under Section 109A of the Act, a person to whom all the rights in the Shares or Debentures of the Company shall vest in the event of death of all the joint holders.
- iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the Company, where a nomination made in the prescribed manner under Section 109A of the Act, purports to confer on any person the right to vest the Shares in, or Debentures of, the Company, the nominee shall, on the death of the shareholders or holder of Debentures of, the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the Shares or Debentures of the Company or, as the case may be, all the joint holders, in relation to such Shares in, or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under section 109 A of the Act.

- iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint, in the prescribed manner, under section 109A of the Act, any person to become entitled to Shares in, or Debentures of the Company, in the event of his death, during the minority.

- 19B (i) Any person who becomes a nominee by virtue of the provisions of the Section 109A, of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect, either-
  - a. to be registered himself as holder of the Shares or Debentures, as the case may be; or Transmission of Shares
  - b. to make such transfer of the Share or Debenture, as the case may be, as the deceased Shareholder or debenture holder, as the case may be, could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased Shareholder, or Debenture holder, as the case may be had transferred the Shares or Debentures, as the case may be, before his death.
- (iii) If the person being a nominee, so becoming entitled, elects to be registered as holder of the Shares or Debentures, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Shareholders or Debenture holder, as the case may be.
- (iv) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of Shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that Shareholder or Debenture holder, as the case may be.
- (v) A person, being a nominee, becoming entitled to a Share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share or Debenture except that he shall not, before being registered a member in respect of his Share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share or Debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus or other monies payable in respect of the Share or Debenture, until the requirements of the notice have been complied with.

By Order of the Board of Directors  
For DIAMANT CARBON & GRAPHITE PRODUCTS LTD.

V.I. DESAI  
Company Secretary

Registered Office :  
212/B, GIDC Estate,  
Mehsana - 384 002 (N.G.)  
Mumbai - dated 13th August, 1999.

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## NOTES :

1. Explanatory Statement as required by Section 173(2) of the Companies Act, 1956 in respect of Item No. 6 being Special Business is annexed hereto.
2. A MEMBER OF THE COMPANY ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing a proxy shall be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid.
4. Members are requested to notify any change in their address / mandate / bank details immediately to the Company.
5. The Register of Members and Transfer Books of the Company will remain closed from Saturday, the 18th September, 1999 to Saturday, 25th September, 1999 both days inclusive.
6. Members who have not forwarded the details of their bank account number earlier are requested to advise the same to the Company quoting their Folio Number(s) to avoid, fraudulent encashment of dividend warrants.
7. Members who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share Certificate(s) to the Company's Registered Office for consolidation of all such shareholdings into one account to facilitate better service.
8. The unclaimed dividend for the financial year ended 31st March, 1994 amounting to Rs. 15,345.50 has already been transferred to the General Revenue Account of the Central Government in terms of the provisions of Section 205A of the Companies Act, 1956.

Those share holders who have so far not claimed or collected their dividend for the said financial year may claim their dividend directly from the Registrar of Companies, Gujarat by submitting an application in the prescribed form.

9. As per the provisions of the amended Companies Act, 1956 facility for making nominations is now available for members, and fixed Deposit holders in respect of the shares and deposits held by them.

By Order of the Board of Directors  
For DIAMANT CARBON & GRAPHITE PRODUCTS LTD.

V.I. DESAI  
Company Secretary

Registered Office :  
212/B, GIDC Estate,  
Mehsana - 384 002 (N.G.)  
Mumbai - dated 13th August, 1999.

## ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.

## ITEM NO. 6 :

The Companies Act, 1956 has been amended by the Companies (Amendment) Act, 1999. The new Section 109A and Section 109B have been inserted providing for nomination by a shareholder of a person to be registered as a shareholder in his place in the event of his death or such person can transfer the shares. The provisions of Section 109A and 109B are beneficial to the shareholders and the same are being incorporated by insertion of new Article 19A and Article 19B.

Section 31 of The Companies Act, 1956, requires a special resolution for alteration of the articles of association of the Company.

The Board commends the resolution for acceptance by the members.

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the members of the Company at its Registered Office between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

By Order of the Board of Directors  
For DIAMANT CARBON & GRAPHITE PRODUCTS LTD.

V.I. DESAI  
Company Secretary

Registered Office :  
212/B, GIDC Estate,  
Mehsana - 384 002 (N.G.)  
Mumbai - dated 13th August, 1999.

## DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED

### DIRECTORS' REPORT

TO  
THE SHAREHOLDERS FOR THE  
YEAR ENDED 31ST MARCH 1999

Your Directors herewith present the Nineteenth Annual Report with the audited accounts of the Company for the year ended 31st March, 1999.

### FINANCIAL HIGHLIGHTS

The salient features of the Company's working are as under :

	Rupees in Lacs	
	1998-99	1997-98
Profit for the year	75.73	80.05
Less : Depreciation	19.40	18.70
Profit before Tax	56.33	61.35
Less : Provision for Taxation	21.00	26.50
Net profit after Tax	35.33	34.85
Add : Balance brought forward from last year *	134.38	121.05
Amount available for Appropriation	169.71	155.90
Appropriations :		
Proposed Dividend	17.98	17.98
Tax on proposed Dividend	1.98	1.80
General Reserve	1.77	1.74
Balance Carried to Balance Sheet	147.98	134.38

### DIVIDEND

Your Directors are pleased to recommend a dividend of 15%. The dividend, when approved by the members at the Annual General Meeting, will absorb Rs. 17.98 lacs (previous year Rs. 17.98 lacs.) and tax on dividend will absorb Rs. 1.98 lacs (previous year Rs. 1.80 lacs.)

### OPERATIONS

1998-99 was a year marked by general economic slow down. Industrial growth was much lower than anticipated. In the domestic market, the net realisation was under pressure due to sluggish demand because of the recessionary trend, especially in Foundry Industry.

Against the backdrop of this business environment, your company could manage a turnover of Rs. 783.33 lacs., showing an increase of 14.37%.

Profit after tax was recorded at Rs. 35.33 lacs against Rs. 34.85 lacs for the previous year. Your Directors wish to state that a new production line for resin bonded crucibles has been installed during the year, and steps have been initiated to improve the existing manufacturing facilities, benefits of which will be reaped in the coming years.

### FINANCE

The Company has been sanctioned during the year Rs. 1.5 crores for its Working Capital requirement by Syndicate Bank, Mumbai.

### FIXED DEPOSITS

The amount of Fixed Deposits from the public and loans from shareholders at the end of the year was Rs. 61.01 lacs and there were no unclaimed deposits / loans or unpaid deposits / loans as at 31st March, 1999.

### INSURANCE

The building, plant and machinery and stocks in hand have been adequately and appropriately insured.

### DIRECTORS

The Board of Directors express their grief on the demise of Vice Chairman of the Company, Mr. A.B. Zaveri who expired on 8th June, 1999.

The Board express its appreciation for the valuable guidance rendered by Mr. A.B. Zaveri during his tenure as Director.

Directors Mr. R.A. Maskati and Mr. S.M. Shah retire by rotation and being eligible offer themselves for re-election.

### AUDITORS

The retiring Auditors, M/s. C.C. Chokshi & Co., Chartered Accountants, Ahmedabad are eligible for re-appointment and have indicated their willingness to act as such. You are requested to consider their re-appointment and fix their remuneration.

### AUDITORS' REPORT

The Auditors' remarks in their report have been dealt with in the notes on accounts, which are self explanatory.

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

The information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure A and forms part of this Report.

### ENVIRONMENT AND SAFETY

The Company is committed to Industrial Safety and environment protection and this is a continuous process at the Company's plant.

### PERSONNEL

During the year under review, the relations between Management and Employees have remained cordial.

The provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended do not apply to the Company for the year under audit.

### ACKNOWLEDGEMENT

Your Directors record their sincere appreciation of the support extended by the Bankers, Syndicate Bank, Mumbai.

Your Directors also wish to place on record its appreciation to the Executive Director (Wholetime Director) and all the employees at all levels for their sustained effort and contribution during the year under review.

For and on behalf of the Board of Directors

S.M. SHAH  
CHAIRMAN

Mumbai,  
Dated : 13-8-99.

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## ANNEXURE - A

## FORM A

Form for disclosure of particulars with respect to Conservation of Energy.

	Current Year 1998-99	Previous Year 1997-98
<b>A. POWER AND FUEL CONSUMPTION</b>		
1. Electricity		
(a) Purchase Unit	5,87,400 KWH	4,99,952 KWH
Total Amount	Rs. 23,67,519	Rs. 19,01,428
Rate of Unit	Rs. 4.03 KWH	Rs. 3.80 KWH
(b) Own Generation		
(i) Through Diesel Generator	5,778 KWH	13,183 KWH
Unit per Ltr. of Diesel Oil	1.42 KWH/LTR.	1.32 KWH/LTR.
Cost/Unit	Rs. 7.50	Rs. 7.98
(ii) Through Steam Turbine / Generator	N.A.	N.A.
Unit per Ltr of fuel oil/gas	N.A.	N.A.
2. Coal (Specify quality used) and quantity		
(tonnes) Total Cost	N.A.	N.A.
Average Rate	N.A.	N.A.
3. Furnace oil quantity	4,99,253 LTR.	4,11,182 LTR.
Total Amount	Rs. 53,17,971	Rs. 43,30,257
Average Rate	Rs. 10.65	Rs. 10.53
4. Other/Internal Generation		
(Please give details)		
Quantity	N.A.	N.A.
Total Cost	N.A.	N.A.
Rate/Unit	N.A.	N.A.
Electricity consumed per kg production	1.016 UNITS	0.974 UNITS
<b>B. CONSUMPTION PER UNIT OF PRODUCTION/PER MT</b>		
Electricity (unit)	1016.00	974.13
Furnace Oil (Ltr.)	806.00	752.49
Coal (specify quality)	—	—
others specify	—	—
<b>CONSERVATION OF ENERGY</b>		
a) Energy conservation measures taken :		
1. By maintaining uniform power factor.		
2. By reducing cooling cycle of Kiln.		
3. By maintaining O <sub>2</sub> & CO <sub>2</sub> in Waste Gas of Chimney of Kiln.		
4. By reducing compressed Air Pressure.		
5. By reducing drying time of dryer.		
b) Additional Investments and Proposals :		
1) To purchase New Flue Gas Anyliser.		
<b>RESEARCH &amp; DEVELOPMENT &amp; TECHNOLOGY ABSORPTION</b>		
1. RESEARCH & DEVELOPMENT (R&D)		
Specific area in which R&D carried out by the Company.		
1. Development of better quality Crucibles.		
2. Development of Allied products for non ferrous metal.		
2. Future plan of action		
(a) To upgrade the quality of our crucibles and develop crucible for special applications.		
(b) Diversification in allied fields.		
3. Expenditure on R&D		
a) Capital		Rs. 1.52 Lacs
b) Recurring		Rs. 0.27 Lacs
c) Total		Rs. 1.79 Lacs
d) Total R&D expenditure as a percentage		0.22%
<b>TECHNOLOGY ABSORPTION AND ADAPTATION :</b>		
1) Efforts made :		
We had imported technology through designs and drawings from Backer & Piscantor, Germany. This technology was suitably adopted, developed and improvised by us for our Country's requirement.		
2) Benefits derived :		
Our Company was the first DGTD unit in this field and hence the total turnover during the year under review amounting to Rs. 783.34 lacs can be treated as benefits by way of import substitute.		
<b>FOREIGN EXCHANGE EARNINGS &amp; OUTGO</b>		
Earning (Export)		Rs. 19,48,459/-
Outgo (Subscription & Travelling)		Rs. 6,38,468/-