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BOARD OF DIRECTORS					
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DIAMANT GEMMES & JEWELLERY PRODUCTS LTD.

DIAMANT CARBON & GRAPHITE PRODUCTS LTD.

BOARD OF DIRECTORS

Sanat M. Shah	-	Chairman
Harshad H. Vasa	-	Vice Chairman
Rashid A. Maskati	-	Director
Mrs. M. U. Dalal	-	Director
Harshad N. Shah	-	Executive Director
Surendra J. Patel	-	Executive Director

COMPANY SECRETARY

D. K. S. Madhavan

AUDITORS

C. C. Chokshi & Co.
Chartered Accountants
Ahmedabad

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.

TWENTYSECOND ANNUAL GENERAL MEETING

Date	:	16th August, 2002
Day	:	Friday
Time	:	11.30 a.m.
Venue	:	Registered Office

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of Members of **DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED** will be held at its Registered Office at 212/B, GIDC Estate, Mehsana - 384 002 (N.G.) on Friday, 16th August 2002 at 11.30 a.m. to transact the following business :

1. To consider and adopt the Balance Sheet as at 31st March 2002 and Profit and Loss Account for the year ended 31st March 2002 and reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. H. H. Vasa who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mrs. Monica U. Dalal who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint auditors and to fix their remuneration.

NOTES

1. **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.**
2. 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.
3. Members are requested to notify any change in their address / mandate / bank details immediately to the Company.
4. The Register of Members and Transfer Books of the Company will remain closed from Sunday, 11th August, 2002 to Friday 16th August, 2002 both days inclusive.
5. 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.
6. The dividends which remain unclaimed/uncashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund, constituted by the Central Government under Section 205 (A) and 205 (C) of the Companies Act, 1956.
 - (a) The details of dividends paid by the Company and their respective due dates of the proposed transfer to such fund of the Central Government if they remain uncashed are as under :

Sr. No.	Date of declaration of dividend	Date of dividend warrant	Dividend for the year	Dividend Rs. per share	Due date for the proposed transfer to Central Government
1.	29.09.95	10.11.95	1994-95	1.00	09.11.2002
2.	26.09.96	05.11.96	1995-96	1.50	04.11.2003
3.	18.09.97	25.10.97	1996-97	1.50	24.10.2004
4.	03.09.98	12.10.98	1997-98	1.50	11.10.2005
5.	25.09.99	29.10.99	1998-99	1.50	28.10.2006

DIAMANT CARBON & GRAPHITE PRODUCTS LTD.

It may please be noted that no claim shall be made by the shareholders for the unclaimed dividends once they are transferred to the credit of the Investor Education & Protection Fund of the Central Government, under the amended provisions of Sec. 205 (B) of the Companies Act, 1956.

In view of the new regulation, the Shareholders are advised to send all the unencashed dividends warrants to the Registered Office of the Company for revalidation and encash them before the due date of the proposed transfer to the Central Government.

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

D. K. S. MADHAVAN
Company Secretary

Registered Office :

212/B, GIDC Estate
Mehsana - 384 002 (N. G.)

Mumbai
Date : 28th June, 2002

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DIRECTORS' REPORT

Your Directors herewith present the 22nd Annual Report with the audited accounts of the Company for the year ended 31st March, 2002.

FINANCIAL HIGHLIGHTS

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

	Rupees in lakhs	
	2001-2002	2000-2001
Profit / (Loss) for the Year	2.79	(87.70)
Less: Depreciation	18.67	20.30
Profit / (Loss) Before Tax	(15.88)	(108.00)
Less: Provision for Taxation-Deferred tax	2.28	—
Net: Profit / (Loss) After Tax	(18.16)	(108.00)
Add: Balance brought forward from last year	51.38	159.38
Balance carried to Balance Sheet	33.22	51.38

YEAR IN RETROSPECT

The recessionary trend in Foundry Industry, is still continuing and the general trend of economy did not show any sign of improvement. However, the Company's effort to control the expenditure has paid substantial dividends and the loss has been reduced substantially. The Company has improved the sales despite unforeseen disturbances in Gujarat State since February 2002.

RESIN PROJECT

The commercial production of Resin Crucibles have been commenced and the feedback from the market so far has been satisfactory. The Company is streamlining the operations based on the feedback and hope to improve the performance in the current year.

DIVIDEND

In view of the inadequate profit during the year under review your directors have not recommended any dividend for the year ended 31.3.2002.

PROSPECTS FOR THE CURRENT YEAR

The Company is exploring further possibility of reducing the cost of production and also hope to diversifying to other allied items such as stopper and sleeve etc., The Company thus hopes to improve its performance accordingly in the current year.

Turn-over for the first two months was Rs. 108.08 lacs, as compared to Rs.94.43 lacs for the corresponding period of the previous year.

FIXED DEPOSITS

The amount of fixed deposits from public and loans from shareholders at the end of the year was Rs. 70.92 lacs. There were no unclaimed deposits/loans as at 31st March, 2002.

INSURANCE

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

DIAMANT CARBON & GRAPHITE PRODUCTS LTD.

RESPONSIBILITY STATEMENT

Directors wish to add that

While preparing the annual accounts, the applicable accounting standards had been followed.

Directors have selected accounting policies and applied consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for the period.

The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for recording the assets of the Company and for preventing and detecting fraud and other irregularities.

The Directors had prepared the annual accounts on a going concern basis.

AUDITORS

The auditors, M/s. C. C. Chokshi & Co., Ahmedabad, retire at the forthcoming annual general meeting and being eligible offer themselves for re-appointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE / EARNING OUTGO

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 with respect to these matters forms part of this Report and is annexed hereto.

ENVIRONMENT AND SAFETY

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

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 report.

PERSONNEL

The relations between the Management and the Employees remains cordial.

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation for the support extended by the Bankers, Syndicate Bank, Mumbai, and the employees, during the year under review.

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For and On behalf of the Board

Mumbai
Dated : 28th June, 2002

S. M. SHAH
Chairman

ANNEXURE - A

FORM A

Form for disclosure of particulars with respect to conservation of Energy :

	Current Year 2001-2002	Previous Year 2000-2001
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A. POWER AND FUEL CONSUMPTION

1. Electricity		
(a) Purchase Unit	2,78,602 KWH	4,60,502 KWH
Total Amount	Rs.24,13,609	Rs.28,89,863
Rate of Unit	Rs.5.04 KWH	Rs.4.79 KWH
(b) Own Generation		
i) Through Diesel Generator	7,577 KWH	3,922 KWH
Unit per Ltr. of Diesel Oil	1.41 KWH/LTR	1.90 KWH/LTR
Cost / Unit	Rs.13.47	Rs.16.54
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	3,91,634 LTR	3,33,129 LTR
Total Amount	Rs.76,35,177	Rs.55,10,625
Average	Rs.19.49	Rs.16.54
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	0.967	1.070 units

B. CONSUMPTION PER UNIT OF PRODUCTION/PER MT

Electricity (Unit)	967.00	1070.00
Furnace Oil (Ltr.)	791.00	770.00
Coal (Specify quality)	—	—
Other specify	—	—

CONSERVATION OF ENERGY

- a) Energy conservation measures taken :
1. By changing better quality Insulating material in Kiln, approx. 20% fuel consumption reduced.
 2. By changing of fuel & combustion equipment of Kiln, Fuel consumption reduced 15% approx.

b) Additional Investments and Proposals:

1. To install A.C. Variable Speed Drive of Kiln Blower.

RESEARCH & DEVELOPMENT & TECHNOLOGY ABSORPTION

1. Research & Development (R&D)
Specific area in which R&D carried out by the Company.
 1. Development of better quality Resin Bonded Crucibles for Zinc & Aluminium.
 2. Development of Allied products for continuous casting of ferrous and 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.— Lacs.
b) Recurring	Rs.0.00 Lacs
c) Total	Rs.0.00 Lacs
d) Total R & D expenditure as a percentage	— %

TECHNOLOGY ABSORPTION AND ADAPTATION

1. Efforts Made:
We had imported technology through designs and drawings from Becker & 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.691.15 lacs can be treated as benefits by way of import substitute.

Foreign Exchange Earnings & Outgo

Earning (Export)	Rs.7,27,537
Outgo (Subscription & Travelling & Bank charges)	Rs.5,604

DIAMANT CARBON & GRAPHITE PRODUCTS LTD.**SECRETARIAL COMPLIANCE CERTIFICATE**

Registration No. of
the Company : 04 — 3859
Authorised Capital : Rs.5,00,00,000/-
Paid up capital : Rs.1,19,94,750/-

The Members

M/s. Diamant Carbon And Graphite Products Limited
Mehsana, Gujarat

I have examined the registers, records, book and papers of **M/s. Diamant Carbon and Graphite Products Limited** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made thereunder and also the provisions contained in the memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2002 (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Board of Directors meeting conveyed and conducted once in each quarter (April 2001 to June 2001, July 2001 to September 2001, October 2001 to December 2001 and January 2002 to March 2002) depending upon the nature of transactions/exigencies of the business requirement in respect of which proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
4. The annual general meeting for the financial year ended on 31st March, 2001 was held on 06.09.2001, after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
5. The Company has **NOT** advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
6. The company has **NOT** entered into any contracts falling within the purview of Section 297 of the Act.
7. Hence recording the necessary entries in the register pursuant to Section 301 of the Act is **NOT** required.
8. As there were **NO** instance falling within the purview of Section 314 of the Act, the Company is not required to obtain any approval from the Board of Directors and Members.
9. The Company has issued duplicate/fresh share certificates consequent upon consolidation of folios and consolidation of certificates upon completing necessary formalities in this regard during the financial year.
10. There were transfer/transmission of shares upon completing necessary formalities in this regard during the financial year.
11. The Company has duly complied with the requirements of section 217 of the Act.
12. The Board of Directors of the Company is duly constituted.
13. The Company has appointed Managing Director/ whole-time Director/Manager during the financial year.
14. The company has **NOT** appointed any sole selling agents during the financial year.
15. The Company was **NOT** required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act.
16. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
17. The company has **NOT** issued any fresh/new/ additional shares, debentures or other securities during the financial year.
18. The company has **NOT** bought back any shares during the financial year.
19. There was **NO** redemption of preference shares during the financial year.
20. There were **NO** transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
21. The company has invited/accepted deposits falling within the purview of Section 58A during the financial year.