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DIAMANT CARBON & GRAPHITE PRODUCTS LTD.



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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
		(upto 31-03-2003)
D.K.S. Madhavan	-	Director
		(From 11-03-2003 to 10-08-2003)
C.K. Paulson	-	Director (w.e.f. 11-08-2003)

AUDITORS

C.C. Chokshi & Co.
Chartered Accountants
Ahmedabad

BANKERS

Syndicate Bank

REGISTERED OFFICE

178/4, G.I.D.C. Estate,
Mehsana-384 002 (N.G.)

HEAD OFFICE

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

TWENTYTHIRD ANNUAL GENERAL MEETING

Date	:	30th September, 2003
Day	:	Tuesday
Time	:	11.30 a.m.
Venue	:	Registered Office

NOTICE

NOTICE is hereby given that Twenty Third Annual General Meeting of Members of **DIAMANT CARBON & GRAPHITE PRODUCTS LIMITED** will be held at its Registered office at 178/4, GIDC Estate, Mehsana - 384 002 (N. G.) On Tuesday the 30th September, 2003 at 11.30 a. m. to transact the following business:

1. To consider and adopt the Balance Sheet as at 31st March, 2003 and Profit and Loss account for the year ended 31st March, 2003 and reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. S. M. Shah who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. R. A. Maskati who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications :

5. As an Ordinary Resolution

To appoint a director in place of Mr. C. K. Paulson, who was appointed as an additional director of the company and who holds office only upto the date of the ensuing annual General Meeting and who being eligible offers himself for appointment. The company has received notice in writing from a member of his intention to propose his candidature for appointment as director.

RESOLVED THAT Mr. C. K. Paulson be and is hereby appointed as director of the company.

N O T E S :

1. Explanatory Statement as required under Section 173(2) of the companies Act, 1956 in respect of item No.5 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 A 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.
4. Members are requested to notify any change in their address/mandate/bank details immediately to the company.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday the 23rd September, 2003 to Tuesday the 30th September, 2003 (Both days inclusive).
6. 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.
7. The dividends which remain unclaimed/unencashed 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) & 205(C) of the Companies Act, 1956.

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 unencashed are as under:

<u>Date of Declaration of dividend</u>	<u>Date of Dividend warrant</u>	<u>Dividends for the year</u>	<u>Dividend Rs. per share</u>	<u>Due date of the proposed transfer to the Central Government</u>
26.09.1996	05.11.1996	1995-96	1.50	04.11.2003
18.09.1997	25.10.1997	1996-97	1.50	24.10.2004
03.09.1998	12.10.1998	1997-98	1.50	11.10.2005
25.09.1999	29.10.1999	1998-99	1.50	28.10.2006

It may please be noted that no claim will lie from a member once the transfer is made to the credit of the Investor Education & Protection Fund of the Central Government, under the amended provisions of Section 205(C) of the Companies Act, 1956.

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

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

H. N. SHAH
DIRECTOR

Registered Office : 178/4 GIDC Estate,
Mehsana-384 002 (N. Gujarat)
Date : 11.08.2003

ANNEXURE TO THE NOTICE

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

ITEM NO.5

Mr. C. K. Paulson is B.com. LL.M. and having 18 years experience in the legal department of Limited companies. The Company has received notice from a member under section 257 of the Companies Act, 1956 together with requisite deposit proposing his candidature for the appointment as director liable to retire by rotation.

The Board recommend his appointment for your approval.

Save and except Mr. C. K. Paulson, none of the other Directors of the company are concerned or interested in the proposed appointment.

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

H. N. SHAH
DIRECTOR

Registered Office : 178/4 GIDC Estate,
Mehsana-384 002 (N. Gujarat)
Date : 11.08.2003

DIRECTORS' REPORT

Your Directors herewith present the 23rd Annual Report with the audited accounts of the Company for the year ended 31st March, 2003.

FINANCIAL HIGHLIGHTS

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

	2002-2003	Rupees in lakhs 2001-2002
Profit/(Loss) for the year	(4.49)	2.79
Less: Depreciation	(17.41)	(18.67)
Profit/(Loss) Before Tax	(21.90)	(15.88)
Exceptional Items :		
- Business support service fees	122.70	0
- loss on slump sale of Mehsana undertaking	-16.56	0
Profit/(Loss) for the year	84.24	-15.88
Less: Prior period lease expenses	14.64	0
Profit/ (Loss) before tax	69.60	-15.88
Provision for Taxation:		
Current Tax	12.60	0
Deferred Tax	-37.99	2.28
	-25.39	2.28
Profit/(Loss) after taxation	94.99	-18.16
Short provision of Taxation for earlier years	15.87	0
Profit (Loss) for the year	79.12	-18.16
Balance b/f from last year	33.22	51.38
Balance c/f to balance sheet	112.34	33.22

YEAR IN RETROSPECT

The untimely demise of two of the promoters in the year 2000 who were looking after total affairs of the company predominantly production, development and marketing, there was total vacuum in the management and operation of the company. Compounded with the loss incurred during the two financial years 2000-2001 & 2001-2002, the company had no other alternative but either to sell off the company as a going concern or to sell manufacturing facility by way of slump sale with a view to stop further erosion of capital in the beneficial interest of the shareholders. The Company received various proposals and found the proposal received from M/s. Vesuvius India Limited, Kolkata for acquisition of manufacturing facility under slump sale most favourable. Accordingly, disposed off manufacturing facility viz crucible manufacturing business to M/s. Vesuvius India Limited, Kolkata at a consideration of Rs. 3.89 crores excluding the liabilities such as secured loans and unsecured loans, gratuity, compensation/ retrenchment of employees/workers and other miscellaneous liabilities and a sum of Rs. 1.23 crores towards business support service fees. Thus, the company was able to liquidate total secured and unsecured loans and other liabilities and has surplus balance.

As there is no business operation at Mehsana, Gujarat, the company has decided to shift the Registered Office from the state of Gujarat to the state of Maharashtra. In this behalf, an application/petition for proposed shifting will be made to the Company Law Board/Central Government in due course.

Thereafter, the company will decide the line of action in the interest of the shareholders and communication will be made to you hereinafter.

DIVIDEND

The company's business operation stopped since March, 2003. Although, at the year end there is available surplus due to sale of assets by way of slump sale, however, the working result shows loss. Therefore, the Board of Directors, as a prudent policy do not recommend any dividend for the year under review.

INSURANCE

The building, plant and machinery, equipments and stocks in trade have been adequately and appropriately insured till March, 2003.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that :

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments 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 of the Company for that year;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and company's Articles of Association, Mr. S. M. Shah and Mr. R. A. Maskati retire by rotation and are eligible for re-appointment.

Mr. S. J. Patel resigned as a Director of the Company with effect from 31.03.2003.

Mr. D. K. S. Madhavan was appointed as an additional director on 11.03.2003 and has resigned as a Director of the Company with effect from 11.08.2003.

The Board place on record their appreciation of the guidance and advice given by Mr. S. J. Patel and Mr. D. K. S. Madhavan during their tenure as Directors.

The Board of Directors at their meeting held on 11.08.2003 subject to the approval of the shareholders have appointed Mr. C. K. Paulson, as additional director. He holds office upto the ensuing Annual General Meeting. The company has received notice from a member proposing his appointment as director of the company.

AUDITORS

The auditors, M/s. C. C. Chokshi & Co., Ahmedabad, retire at the forthcoming annual general meeting and being eligible offers 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 remained cordial upto 31.03.2003.

ACKNOWLEDGEMENT

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.

For and on behalf of the Board

Mumbai
11.08.2003

S. M. SHAH
Chairman

ANNEXURE - A FORM A

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

	Current Year 2002-2003	Previous Year 2001-2002
A. POWER AND FUEL CONSUMPTION		
1. Electricity		
a) Purchase Unit	4,67,410 KWH	4,78,602 KWH
Total amount	Rs. 23,18,131	Rs.24,13,609/-
Rate of Unit	Rs. 4.96 KWH	Rs.5.04 KWH
b) Own Generation		
i) Through Diesel Generator	7,842 KWH	7,577 KWH
Unit per Ltr. Of Diesel Oil	1.81 KWH/LTR	1.41 KWH/ LTR
Cost/ Unit	Rs. 10.76	Rs.13.47
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 (tones)		
Total cost	N.A.	N.A.
Average Rate	N.A.	N. A.
3. Furnance Oil quantity	3,23,533 LTR	3,91,634 LTR
Total Amount	Rs. 56,03,575	Rs.76,35,177
Average	Rs. 17.32	Rs.19.49
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	1.039	0.967
B CONSUMPTION PER UNIT OF PRODUCTION/ MT		
Electricity (Unit)	1039.00	967.00
Furnace Oil (Ltr.)	719.74	791.00
Cost (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

N.A.

3. Expenditure on R & D.

a) Capital	Rs. 0.00 Lacs
b) Recurring	Rs. 0.00 Lacs
c) Total	Rs. 0.00 Lacs
d) Total R & D expenditure as a percentage	0.00%

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 improved 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. 705.12 lakhs can be treated as benefits by way of import substitute.

Foreign Exchange Earnings & Outgo

Earning (Export)	Rs. 3,82,576
Outgo (Subscription & Travelling & Bank Charges)	Rs. 3,59,034

SECRETARIAL COMPLIANCE CERTIFICATE

Registration No. of the Company : 04-3859
 Nominal Capital : Rs.50,00,000/-
 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, books and papers of **M/s. DIAMANT CARBON AND GRAPHITE PRODUCTS LIMITED** 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, 2003 (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 2002 to June 2002, July 2002 to September 2002, October 2002 to December 2002 and January 2003 to March 2003) 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, 2002 was held on 16.08.2002 after giving due notice to the members of the company and the resolutions passed there at 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 was 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. Due effect in respect of transfer and transmission of shares were given upon verifying the necessary requirement as were necessary in this regard during the financial year.
11. The Company has not 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 not 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.