

DIAMANT INVESTMENT & FINANCE LIMITED

(Formerly Diamant Carbon & Graphite Products Ltd.)

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Annual Report 2004-2005

DIAMANT INVESTMENT & FINANCE LTD.
(FORMERLY 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 (Upto 01.06.05)
Mrs. M.U. Dalal	—	Director
Harshad N. Shah	—	Executive Director
C. K. Paulson	—	Director
Naresh S. Saboo	—	Director (Since 30.07.05)

BANKER

Syndicate Bank,
Sir P.M. Road
Fort, Mumbai.

AUDITORS

M/s. P. Sanghani & Co.
Chartered Accountants, Mumbai

REGISTERED OFFICE

Sidhwa House, 1st Floor,
N.A. Sawant Marg,
Near Colaba Fire Brigade,
Mumbai-400 005

Twentyfifth Annual General Meeting

Date : 28th September, 2005
Time : 10.30 a. m.
Venue : Sidhwa House, 2nd Floor,
N. A. Sawant Marg,
Near Colaba Fire Brigade
Colaba, Mumbai - 400 005.

DIAMANT INVESTMENT & FINANCE LTD.

(FORMERLY DIAMANT CARBON & GRAPHITE PRODUCTS LTD.)

NOTICE

NOTICE is hereby given that Twenty Fifth Annual General Meeting of Members of **DIAMANT INVESTMENT AND FINANCE LIMITED** will be held at Sidhwa House, 2nd Floor, N. A. Sawant Marg, Near Colaba Fire Brigade, Colaba, Mumbai - 400 005 on Wednesday the 28th September, 2005 at 10.30 a.m. to transact the following business :

AS ORDINARY BUSINESS :

1. To consider and adopt the Balance Sheet as at 31st March, 2005 and Profit and Loss Account for the year ended 31st March, 2005 and reports of the Directors and the Auditors thereon.
2. To declare a Dividend on equity shares for the year ended 31st March, 2005.
3. To appoint a Director in place of Mr. H. N. Shah who retires by rotation, but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. C. K. Paulson who retires by rotation, but being eligible offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

AS SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modifications the following resolution as an **Ordinary Resolution**.

"RESOLVED THAT Mr. Naresh Satyanarayan Saboo, who was appointed as an additional director and holds office upto the date of this Annual General Meeting of the Company, and is eligible for re-appointment, and in respect of whom the Company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director."

7. To consider and, if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**.

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered by inserting the following new Article 61A after the existing Article 61."

1. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its shares/debentures and other Securities (both existing and future) held by the Depository and to offer its shares, debentures and other Securities for subscription in a dematerialized form pursuant to the Depositories Act, 1956 and the Rules framed thereunder if any.
2. Every person holding or subscribing to Securities, offered by the Company shall have the option to receive the Security certificates or to hold the Securities with a Depository, Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any Security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the Securities.

Where a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of such security and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Security.

- 3) All Securities held by a Depository shall be dematerialised and shall be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187A, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

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- 4) a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be registered owner for the purpose of effecting transfer of ownership of Security on behalf of the beneficial owner;
- b) Save as otherwise provided in (a) above, the Depository as a registered owner of the Securities shall not have any voting rights or any other right in respect of the securities held by it;
- c) Every person holding Securities of the company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities held by a Depository.

- 5) Notwithstanding anything to the contrary contained in the Act, or these Articles, where the Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs or such other mode as may be prescribed.

- 6) If a beneficial owner seeks to opt out of a Depository in respect of any Security, the beneficial owner shall inform the Depository accordingly. The depository shall, on receipt of the information as above, make appropriate entries in its record and shall inform the company accordingly.

The Company shall within (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificates of Security to the beneficial owner or the transferee as the case may be.

- 7) Notwithstanding anything to the contrary contained in these Articles:
 - i) Section 83 of the Act shall not apply to the shares with a Depository;
 - ii) Section 108 of the Act, shall not apply to transfer of Security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.
- 8) Notwithstanding anything contained in the Act or these Articles, where Securities are dealt with in a Depository, the Company shall intimate the details of allotment of Securities to the Depository immediately on allotment of such Securities.
- 9) In case of transfer of shares, debentures and other marketable Securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.
- 10) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notice and all or any other matters connected with the Company, and accordingly the Company shall not, except as ordered by a Court of Competent jurisdiction or as by law required, be bound to recognize any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

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NOTES :

1. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956 in respect of item Nos 6 and 7 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 company's registrar and share transfer agents, Intime Spectrum Registry Limited, C-13 Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai - 400 078.
5. The Registrar of Members and the Share Transfer Books of the Company will remain closed from Friday the 23rd September, 2005 to Wednesday the 28th September, 2005 (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 dividend, as recommended by the board, if declared at the annual general meeting will be paid on or after 01st October, 2005 to those persons whose names appear as members in the register of members of the company after giving effect to valid share transfers lodged with the company/registrar and share transfer agents on or before 22nd September, 2005.
8. 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 :

Date of Declaration of dividend	Date of Dividend warrant	Dividends for the year	Dividend Rs. per share	Due date of the proposed transfer to the Central Government
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
03.09.2004	06.09.2004	2003-04	1.00	05.09.2011

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 INVESTMENT AND FINANCE LIMITED**

H. N. SHAH
DIRECTOR

Registered Office :
Sidhwa House, 1st Floor,
N. A. Sawant Marg,
Colaba, Mumbai - 400 005
Date : 23.08.2005

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ANNEXURE TO THE NOTICE

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

Item No. 6

Mr. Naresh Satyanarayan Saboo, is a Chartered Accountant. 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. Naresh Satyanarayan Saboo, none of the other Directors of the company are concerned or interested in the proposed appointment.

Item No. 7

Consequent upon the enactment of Depositories Act, 1996, the Depositories Act, 1996 has amended some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing in shares and other securities as also issue of relevant certificates for facilitating introduction and implementation of the depository system.

In view of the above, it is proposed to alter the Articles of Association of the Company by amending/ incorporating relevant provisions to bring the articles in line with the amended provisions.

Resolution No. 7 in the accompanying Notice lists out the amendments as above.

A copy of the Memorandum and Articles of Association of the Company will be available for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p. m. on working days upto the date of this Annual General Meeting.

The Directors recommend the resolution for approval of members.

None of the Directors of the company is concerned or interested in the resolution except to the extent of their shareholding.

By Order of the Board
For DIAMANT INVESTMENT AND FINANCE LIMITED

H. N. SHAH
DIRECTOR

Registered Office :
Sidhwa House, 1st Floor,
N. A. Sawant Marg,
Colaba, Mumbai - 400 005
Date : 23.08.2005

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DIRECTORS' REPORT

Your Directors herewith present the 25th Annual Report with the audited accounts of the company for the year ended 31st March, 2005.

FINANCIAL HIGHLIGHTS

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

	Rupees in lakhs	
	2004-2005	2003-2004
Profit / (Loss) for the year	48.08	17.83
Less : Depreciation	0.89	1.12
Profit / (Loss) before tax	47.19	16.71
Prior Period item	—	0.25
Profit / (Loss) after prior period item	47.19	16.46
Provision for Taxation :		
Current Tax	16.15	1.32
Deferred Tax	0.93	(1.20)
	17.08	0.12
Profit/(Loss) after Taxation	30.11	16.34
Short provision of Taxation for earlier years	0.03	0.21
Transfer to General Revenue	1.20	1.00
Proposed Dividend	12.00	12.00
Corporate dividend tax payable	1.68	1.54
Profit / (Loss) for the year	15.20	1.59
Credit balance b/f from previous year	113.93	112.34
Balance c/f to balance sheet	129.13	113.93

During the year under review, company has invested the funds in mutual fund, shares and fixed deposit with Banks. The said investment portfolio have been reviewed from time to time.

DIVIDEND

For the year under review, your Directors recommend a dividend of Re. 1 (Re. One) per equity share, subject to approval by the members at the annual general meeting.

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 have been followed;
- ii) the Directors have selected such accounting policies and applied them 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 of the company for that year ;
- iii) the Directors have 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 have prepared the annual accounts on a going concern basis.

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DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and company's Articles of Association, Mr. H. N. Shah and Mr. C. K. Paulson retire by rotation and are eligible for re-appointment.

Mr. R. A. Maskati has resigned as a Director of the Company. The Board at their meeting held on 30th July, 2005 has accepted the resignation of Mr. R. A. Maskati and placed on record their appreciation for services rendered by him during his tenure as Director of the company.

The Board of Directors at their meeting held on 30th July, 2005 appointed Mr. Naresh Satyanarayan Saboo, as an additional director and shall hold office upto the date of this annual general meeting of the company. He is eligible for re-appointment in this annual general meeting. The company has received a notice in writing from a member under the provisions of Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director.

AUDITORS

The auditors, M/s. P. Sanghani & Co. Mumbai, retire at the forthcoming annual general meeting and being eligible offers themselves for reappointment.

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

The company is not a manufacturing organisation and hence did not have any activity relating to conservation of energy or absorption of technology not did it have any foreign exchange earning or outgo.

EMPLOYEES

During the year under report, none of the employees of the company were in receipt of remuneration in excess of the limits prescribed under the Companies (particulars of Employees) Rules, 1975.

The Board place on record their appreciation of the dedicated and sincere work put in by the employees during the year under review.

ACKNOWLEDGMENT

Your Directors wish to place on record their appreciation for the support extended by the Banker, Syndicate Bank, Mumbai.

For and on behalf of the Board

Place ; Mumbai
Date : 23.08.2005

S. M. Shah
Chairman