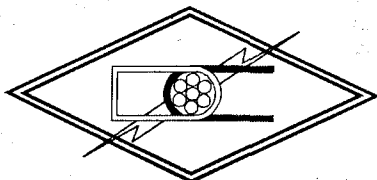


**DICABS**

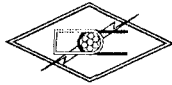
**11 TH ANNUAL REPORT  
2002 - 2003**

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**DICABS®**  
Power Cables & Conductors



**DIAMOND CABLES LTD.**



**11TH ANNUAL GENERAL MEETING**

14th August, 2003

at DCL Compound,  
Village : Vadadala, Tal. Savli, Dist. Baroda

**BOARD OF DIRECTORS**

|                      |  |
|----------------------|--|
| Mr. S. N. Bhatnagar  | <i>Chairman &amp; Managing Director</i>      |
| Mr. Amit Suresh      | <i>Joint Managing Director</i>               |
| Mr. Sumit Suresh     | <i>Joint Managing Director ( Operations)</i> |
| Mr. G. N. Verma      |  |
| Mr. Satish Singhal   |  |
| Dr. T. N. Bhatnagar  |  |
| Mr. Prakash Sinha    |  |
| Mr. Harshad. J. Shah |  |

**AUDITORS**

S. S. Iyengar & Company  
95/96, Gayatri Chambers, R. C. Dutt Road, Alkapuri, Baroda.

**COMPANY SECRETARY**

Mr. Tushar J. Lakhmapurkar

**BANKERS**

- State Bank of India
- Central Bank of India
- Syndicate Bank
- State Bank of Saurashtra

**INSTITUTIONAL FINANCERS**

Industrial Development Bank of India  
Central Bank of India

**CORPORATE OFFICE**

ESSEN HOUSE  
5/12, BIDC Gorwa, Baroda.

**REGD. OFFICE & FACTORIES**

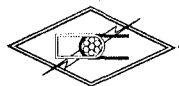
- Village : Vadadala, Tal. : Savli, Dist. : Baroda.
- 24 B Nanji Industrial Estate, Village Kharadpada
- Nani Naroili Silvassa - DNH

**E.MAIL**

[shares@dicabs.com](mailto:shares@dicabs.com)

**REGISTRAR & TRANSFER AGENT**

INTIME SPECTRUM REGISTRY LTD  
201, Sidcup Tower, Race Course Circle,  
Baroda-390007



## NOTICE

NOTICE is hereby given that the Eleventh Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 14<sup>th</sup> August, 2003 at 11.00 a.m. at the Registered Office of the Company at Village – Vadadala, Tal. – Savli, Dist. Baroda to transact the following Ordinary Businesses :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2003 and the Profit & Loss accounts for the year ended on that date together with the Report of the Directors and the Auditors thereon.
2. To appoint Director in place of Mr. G.N. Verma, who retires from the office by rotation and being eligible offers himself for Re-appointment.
3. To appoint Director in place of Mr. Satish Singhal, who retires from the office by rotation and being eligible offers himself for Re-appointment.
4. To appoint Auditors and to fix their remuneration

Date :- 10.06.2003

for and on behalf of the Board

Place: BARODA

**TUSHAR J. LAKHMAPURKAR**  
Company Secretary

### NOTES:-

- A) A Member entitled to attend and Vote at this meeting may appoint a Proxy to attend and on Poll, to vote instead of him. A Proxy Need not be a member.
- B) The Register of Member and Share Transfer Books of the Company will remain closed from 6.8.2003 to 13.8.2003 (Both days inclusive)
- C) The Company had appointed INTIME SPECTRUM REGISTRY LIMITED, 201, SIDCUP TOWER, RACE COURSE CIRCLE, BARODA 390 007 as the Registrar & Share Transfer Agent. The Members are requested to kindly make further correspondence for any share Transfer or Demat work.

## DIRECTORS REPORT TO SHAREHOLDERS

The Board of Directors has pleasure in presenting the Eleventh Annual Report along with the Audited Accounts for the year ended 31<sup>st</sup> March 2003. The year 2002-03 witnessed a continued Global & National turmoil with industry trying to come out of crisis as a result the global and national trade activities did out of crisis as a result the global and national trade activities did not grow and so did the economy at the pace it should have grown.

During the period, the Transmission and distribution policy of Indian power sectors continued to be driven by foreign investment, mainly aided and funded by the World Bank and Asian Development Bank. The government has further more state electricity boards like GEB, RSEB, UPSEB, Jarkhand,

APSEB, etc. under pressure and requirements from multilateral funding agencies have agreed to split and privatize themselves basically to facilitate the changes and implementations required to improve upon the financial conditions of each of the state electricity boards. This acceptance by state power utilities has benefited your company as it being the biggest vendor in this sector by further consolidating by bagging huge contracts from large players in privatization process like BSES Ltd, L & T Ltd., Tata Projects Ltd. Etc. Along with electricity boards like TNEB, MSEB, and GEB where in the receivables are either guaranteed by a letter of credit or guaranteed by payment facility from Power Finance Corporation.

## FINANCIAL RESULTS

We are pleased to place on record that the fact that, the companies turnover last three years has been 9848.16 Lacs (2000-01), 5152.58 Lacs (2001-02- 9 months end) and Rs. 8348.71 Lacs (2002-2003) registering a continual performance for last 3 years.

The salient performance of the company in the current and last financial years is as under:

| Sr. Particulars  | [RS. IN LACS] |                       |          |
|------------------|---------------|-----------------------|----------|
|                  | 2002 – 2003   | 2001-02<br>(9 months) | 2000-01  |
| 1. Income        | 8386.58       | 4559.55               | 10231.51 |
| 2. Expenditure   | 7374.39       | 3885.23               | 8765.12  |
| 3. Profit BDIT   | 1008.64       | 699.22                | 1466.39  |
| 4. Interest      | 1201.35       | 813.92                | 1113.81  |
| 5. Depreciation  | 261.09        | 194.80                | 250.90   |
| 6. Net Profit    | (450.25)      | (331.41)              | 101.68   |
| 7. Share Capital | 1352.02       | 1352.02               | 1352.02  |
| 8. Reserve       | 713.33        | 1163.58               | 1482.64  |
| 9. EPS           | (3.33)        | (2.47)                | 0.75     |

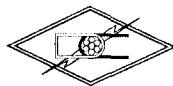
Note : Due to Re-grouping there are changes in some of the previous year figures.

The important performance ratios are as under:

| Sr. Particulars           | [RS. IN LACS] |                       |         |
|---------------------------|---------------|-----------------------|---------|
|                           | 2002 – 2003   | 2001-02<br>(9 months) | 2000-01 |
| 1. G. P. Margin (%)       | 12.03         | 15.33                 | 14.31   |
| 2. Asset Turnover(times)  | 3.11          | 1.76                  | 3.31    |
| 3. Intt. Coverage (times) | 0.84          | 0.83                  | 1.32    |
| 4. E. P. S. (Rs.)         | (3.33)        | (2.47)                | 0.75    |

## MARKET AND FUTURE PROSPECTS OF THE COMPANY

Electricity is the prime mover of growth and is vital to the sustenance of modern economy. The projected growth of the Indian economy depends heavily on the performance and growth of the power sector. Thus it is the endeavor and necessarily for the Government to ensure that agriculture, industry, commercial establishments and all households receive uninterrupted supply of electricity at affordable rates. The Ministry of Power envisions reliable, affordable and quality power supply for all users by 2012. In the prevailing situation, this might appear to be an ambitious goal. However, we have to achieve this objective if the nation is to attain rapid economic growth and ensure the desired quality of life in keeping with



infrastructure attainments worldwide. The honorable union minister of Power said in his introduction to the Power sector reforms blue print that "When I took over as Minister of Power, I realized that the Power Sector was at the crossroads and if the trend of the nineties were to continue, power supply would deteriorate further and have adverse impact on the economy and citizens. I have been sharing my anxiety with opinion makers and emphasizing that unless we that urgent measures on the basis of a broad social and political consensus, it would be difficult to avert the impending crisis. Reform cannot be delayed any further. Over the last few months, we have worked to put together a coherent blueprint for bringing about a fundamental transformation in the power situation. This blue print has been prepared by listing the problems and issues hampering the development of the power sector and designing strategies to resolve each of these problems. The strategies and blue prints are flexible and can be adjusted to accommodate positive inputs and developments. We are acutely conscious of the fact that formulation of strategies is the beginning of the process. The real challenge lies in the implementation. However, I view the challenge as an opportunity for investment and participative growth in good business. Power is in the Concurrent List and the primary responsibility at the consumer end is with the States. Distribution of power is their exclusive responsibility. Distribution today is the weakest link in the Power Sector. Owing to low investment and unplanned extension of power supply the distribution system has become weak and fragile. Transmission and distribution losses have assumed gigantic proportions making the whole sector unavailable. Any strategy to reform the power sector has to focus first on the distribution sector in order to ensure cash flow and make the sector viable. A viable power sector would be able to attract the capital investment in needs. Subsidies wherever needed and inescapable should be well targeted and restricted to what the respective State Governments can afford. In order to assist the States in distribution reforms and turnaround of the SEBs, a number of concrete strategies like assistance in preparation of Distribution Reforms Plan for every district, Centrally funded distribution reforms in 60 districts as Centers of Excellence, one time settlement of SEB dues to central PSUs, development of MIS at feeder level to ascertain thefts, hundred percent metering have been planned and initiated. Thus we are trying to go down to the district and feeder levels to ensure that distribution reforms are meaningful and successful. I have been also talking to representatives of various political parties, stock-holders, trade unions and industries associations to build a consensus on power sector reforms which would rise above political ideologies." Such statements by the Minister are really a booster and welcome note to the bright future of the industry. Your company having firm footings and sizeable market share already in the transmission and distribution industry enjoys and stands to gain from such encouraging statements and approach by the central government.

To ensure electrification of all villages in the country, the supply of electricity has now been accepted as a Basic Minimum Service and an action plan for the provision of electricity to all villages by the end of the Tenth Plan and all households by end of the Eleventh Plan is already in place along with the strategies and initiatives to resolve the reforms for accelerated development of the power sector. The farmers, industrialists,

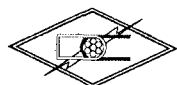
investors, employees, consumers, academicians, students, political parties, media persons and other opinion makers, all play an important part and possess a stake in the efficient performance of the power sector.

We feel privileged to be associated with Power Sector that is so vital for the economic growth and development of the Indian economy as the Ministry of Power has undertaken a mission of providing reliable, affordable and quality power for all by 2012. The action plan and various strategies have been drawn up for doubling the present capacity by the year 2012 and to ensure 100% electrification of all villages by 2007. The government has finally adopted an integrated approach for optimal development of the electricity Sector in totality. The capacity addition program has also taken into account the commensurate augmentation of transmission and distribution system. This would call for an investment of over Rs. 800,000 crore as stated by the Honorable Minister of Power in his opening address of the Blue print made for electricity reforms.

The strategies identified by Ministry of Power and the Blue print in this direction includes:

- Development of district level distribution improvement plans/projects for all districts. The Ministry / CEA will help the States in capacity building measures in areas related to technical and commercial activities as well as planning and deployment of personnel. Assistance would also be provided to SEBs to improve their accounting practices.
- Setting up of district level Energy Committees for monitoring and resource planning.
- Development of 60 distribution circles as Center Excellence for distribution reform. The funds for the project would be provided by the center under the Accelerated Power Development Program (APDP). These centers would act as models for replication in other districts.
- Hundred percent metering and effective Management Information System (MIS) for monitoring at feeder level, backed up by detailed energy audit to bring accountability into the system at all levels.
- Taking high voltage lines up to the load center to prevent theft of power and reduces technical losses.
- Signing of MOUs with States for undertaking distribution reforms in a time bound manner and linking the support of Government of India to achievement of pre-determined milestones. ( Sixteen states have signed the MOUs so far).
- Privatization / corporatisation of distribution.

India is a power-starved country, where demand for power has always outstripped supply. The step initiated by the government of India through the blue print for reforms has led to a target of 100% electrification by 2012. The addition in the generation capacity would be an estimated building of over 1,00,000 MW of additional power capacity and associated transmission & distribution infrastructure, nearly Rs.8,00,000 crores of investments would be needed in the next decade. This translated into an annual addition of 10,000 MW, if this materializes, the requirement of transmission and distribution products would have a fantastic boom in the power transmission and distribution sector.



## TRANSMISSION AS A SEPARATE ACTIVITY

The investment in the growth of transmission, sub-transmission and distribution system has not matched the growth in generating capacity, consequently there is a problem of evacuating the excess generated power, which needs to stress and focus upon the investments in regional and inter regional transmission, sub transmission and distribution system. Looking into the future demand and availability of generation resources, a Perspective Transmission Plan has been drawn up indicating the major inter-regional transmission highways to be developed by 2011-12. This will ultimately lead to the formation of a strong National Grid. These highways are planned in phases to match inter regional transmission requirements. Out of the Rs.8,00,000 Crores required for doubling the power capacity to 2,00,000 MW by the year 2012, about Rs. 2,00,000 Crores would be required for the associated transmission system including creation of a National Grid. Out of this, an investment of about Rs. 70,000 crores would be required in Central Sector Transmission Systems alone, POWERGRID is expected to mobilize an investment of Rs.41,000 crore from its own resources. The balance requirement of Rs. 29,000 crores is proposed to be mobilized through private investments. Based on the scale of investments planned and required it clearly shows that the company is to advantage in a big way and our presence is in the right industry.

## DISTRIBUTION REFORMS

Commercially sound and financially viable state electricity boards / power utilities are the key to power sector development. The poor financial health of SEBs also seriously affects their ability to invest in new generation capacity, to upgrade their Transmission & Distribution network and to undertake system improvement. Distribution is the weakest link in the chain of power supply. Hence distribution reforms have been identified as the key area of focus in the power sector reform process. The initiatives taken in this regard include: Prevention of theft which it self will mobilize about Rs.20,000 crores annually, 100% metering across the country has been made compulsory to facilitate calculation of actual T & D losses along-with 100% metering the energy accounting and auditing is very necessary so to develop and implement a MIS to facilitate decisions on this. These all are decisions and developments by the government are healthy and encouraging waves for the transmission and distribution industry, which never had problem of market and requirements but always had a problem of investments and allocation of funds.

## DEMAND LOOK

Cables and Conductors are the two key products used in the transmission and Distribution of power. The Cost of cables accounts for around 20% of the investment in the power sector. The power cables industry accounts for a turnover of around Rs. 1800/- crores. Around 65% is accounted for by the organized sector and these payers have not been significantly affected by the presence of large unorganized sector. The main consumers are State Electricity Boards, Transmission utilities and the industrial sector.

Due to a continual global turmoil the investments in the industry

sector, specially the private projects area has been very discouraging and still seems to continue at the same level of growth in demand as previous year and lot of problems on the recovery front and funds collections wherein the percentage of bad debts is very high. As far as the power utilities are concerned we have a good presence there and with encouraging signs and huge investments being facilitated by government for them the over all position of the demand of transmission and distribution products look on a boom and rise.

## SUPPLY OUTLOOK

The state electricity boards have started to shift more and more towards the Aluminum Alloy Conductors, whereas the supply line or supply chain remains more or less the same as last year thus giving us an opportunity to consolidate on our market share and improve upon the capacity utilization of our installed capacity. The present manufacturing capacities of all the indigenous producers is Rs. 10000-12000 TPA, as estimated by the expert committee of BALCO. Your company is very comfortable on the front as we have capacity to convert and manufacture our own Aluminum Alloy wire rods to manufacture transmission and distribution conductors. Rather to sum it up there are no significant changes in the supply outlook as compared to previous year.

## MARKET POTENTIAL

Looking to the Mission and Vision of Ministry of Power "To provide reliable, affordable and quality of 100% electrification to the country" itself speaks of the future requirements and market potential. The next decade as per the industry figures and government plans is going to see a growth in generation, transmission and distribution almost equivalent to the growth since the independence.

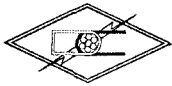
Huge investments by respective authorities for transmission and distribution network, as per conservative estimates, by the year 2012, around Rs.8,00,000 crores would be the required investment for power generation program to fulfill the above mission and vision of the Minister and make 100% electrification. The generation of power leads to the need of evacuation of power called transmission and distribution mainly takes place through the product line of your company, which accounts for the 70% investments of the total network. The use of AAAC will increase very fast with the benefits and advantages underlying in the superior quality of these conductor.

The company has pending bids over 3100 crores and is very comfortably placed as far as the order book position for the next financial year is concerned.

## EXPORTS AND DEEMED EXPORTS

The company participated and supplied its product world wide against export enquiries from ISRAEL, FRANCE, JORDAN, SOUTH EAST ASIAN COUNTRIES and GULF countries. The strategic marketing plan is focused of our product across other countries and enables us to increase the level of exports.

The company is yet again amongst the leading suppliers of



conductors to various contracts under the DEEMED EXPORT categories financed to various state electricity boards by multilateral funding organizations like IBRD, ADB, OECF and World Bank. The company enjoys duty free import entitlements against these supplies, which gets in better margins and improved quality due to superior raw material quality. The company during the year has bagged another deemed export order worth RS. 30 crore from Gujarat Electricity Board funded by Asian Development Bank.

#### CONSERVATION OF ENERGY

The company as per the new guideline by government has undergone a Complete Energy Audit of the manufacturing plant done by Electrical Research and Development Association (ERDA), Baroda and the results and finding of the same were implemented in the benefit of company with motto of conservation of energy.

#### QUALITY

The company is pleased to inform that the company has successfully converted / graduated from ISO 9002- 1994 certification to the new standards ISO 9002 – 2000, in the short we reassure the fact that we are continuously updating and upgrading company, which is very much quality and process conscious.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Presently, the R & D department is concentrating on developing and improving upon the existing product line along with a detailed analysis of the manufacturing processes to enable the company to save cost.

The other major innovations made by the company due its strong R & D efforts are as follows:

Replacing the dual spooler system in place of single spooler developed modern technology for wire drawing machines and the analog counter meters used to measure the length of wire have been replaced by the digital counter meters to record the lengths at both wire drawing and stranding this has led to reduction in scrap percentage to the company. It has helped the company to achieve higher efficiency and productivity.

#### FIXED DEPOSIT

The company has not accepted any deposit from public during the year under review to which provisions of section 58 A of the companies ( Acceptance of Deposit) rules, 1975 as amended are applicable.

#### DIRECTORS

In accordance with the provisions of the company's Articles of Association, Mr. G.N. Verma and Mr. Satish Singhal retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Members are also aware that in the Last Annual General Meeting, the Shareholders have passed a resolution for the

Re-appointment and payment of remuneration to Shri S.N. Bhatnagar as a Chairman & Managing Director and Mr. Amit Bhatnagar, as Joint Managing Director , w.e.f. 1.2.2003 for a period of 5 years, subject to the approval of the Central Govt. It is required to be noted that the Company has received the Central Govt. approval for the same.

#### AUDITORS

M/s. SS Iyengar & Co. , Chartered Accountants have expressed their willingness to continue in office if re-appointed. A certificate has been obtained from them to the effect that the appointment, if made will be in accordance with the limits specified in subsection (1B) of section 224 of the companies Act, 1956.

#### LISTING OF SHARES

Your company's shares are listed on the Vadodara, Mumbai, Ahmedabad & Delhi Stock Exchanges. The listing fees to all Stock Exchanges have been paid upto 31<sup>st</sup> March, 2004.

#### DIRECTOR'S RESPONSIBILITY STATEMENT:

Under Section 217(2AA) of the Companies Act, 1956 the directors confirm that :

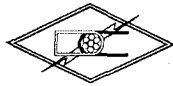
- In the preparation of annual accounts, the company has followed the applicable accounting standards.
- Such accounting policies have been selected and consistently applied and judgments and estimates made thus are reasonable and prudent so as to give a true and fair view of the state of affairs of the company for the year ended 31<sup>st</sup> March, 2003 and of the Profit / Loss for the year ended on the date .
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.
- Annual Accounts have been prepared on a going – concern basis.

#### PERSONNEL

As required by the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended , the names & other particulars of the employees are set out in the Annexures to the Director's Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts is being sent to all the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particular may write to the Company Secretary at the Registered Office of the Company

#### COST AUDITORS

The Central Government has directed an audit of the Cost Accounts maintained by the Company in respect of its products. The Central Government has approved the



appointment of M/s. S.S. Puranik & Associates, Cost Accountants, for conducting the Cost Audit of the above businesses for the Financial Year ended on 31<sup>st</sup> March, 2002 and waiting for the approval for the Financial year ended on 31<sup>st</sup> March, 2003.

### CORPORATE GOVERNANCE

A separate section on Corporate Governance and a Certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 46 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report.

### ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the assistance and co-operation, received from the Financial Institutions, Banks, various Government Authorities, Customers, vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services of the Executives, Staff and workers of the Company.

For and on Behalf of the Board

Mr. S.N. Bhatnagar.  
Chairman & Managing Director

Place : Baroda  
Date : 10.06.2003

### FORM - A

Form for disclosure of particulars with respect to conservation of energy.

| Sr. | Particulars                         | Current Year | Previous Year |
|-----|-------------------------------------|--------------|---------------|
| 1.  | Power & Fuel Consumption            |              |               |
| •   | <b>Electricity</b>                  |              |               |
| 1.  | Purchased                           |              |               |
|     | Unit (KWH) Lacs                     | 28.02        | 15.49         |
| 2.  | Rate/Unit (Rs.)                     | 5.54         | 6.15          |
| 3.  | Total Amount (Rs. Lacs)             | 155.23       | 95.26         |
| •   | <b>Own Generation</b>               |              |               |
| 1.  | Through Diesel Generator            | 10608        | 55224         |
|     | Unit Per Ltr. Of Diesel Oil         | 25.10        | 11.81         |
|     | Cost/Unit                           | 2.66         | 6.52          |
| 2.  | Through Steam Turbine/Unit          | N.A.         | N.A.          |
| 2.  | Coal (Specify Quality & where used) | N.A.         | N.A.          |
| 3.  | Furnace Oil                         |              |               |
|     | 1. Quantity (K.Liters)              | 333.016      | 283.04        |
|     | 2. Total Amount (Rs. Lacs)          | 42.98        | 27.76         |
| 4.  | Others / Internal Generation        | N.A.         | N.A.          |

### FORM - B

Form for Disclosure of particulars with respect to Absorption; Research and Development.

1. Specific areas in which R & D carried out – N.A.
2. Benefits derived as a result of above R & D – N.A.
3. Future plan of action – N.A.
4. Expenditure on R & D – N.A.

Technology absorption, adaptation and innovation:

1. Efforts in brief made towards technology, absorption, adaptation and innovation – N.A.
2. Benefits derived as a result of above efforts.

e.g. product improvement, cost reduction, production development, imports substitution etc. – NA.

### CORPORATE GOVERNANCE

#### BRIEF STATEMENT ON CODE OF GOVERNANCE:

Your company believes in conducting its affairs with the highest levels of integrity, with proper authorizations, accountability and transparency. The business operations of the company are conducted not for the benefit of specific group but for the benefit of all the shareholders.

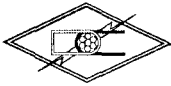
#### BOARD OF DIRECTORS

The board of directors of the company inception includes eminent individuals who have excellent track record in their respective areas of experience and specialization and possess a good standing. The board is structured on a broader base keeping in mind the Financial, Technical, Legal, Industry and the Board are highly competent and proficient; they provide leadership and strategic business insight to the Board.

Diamond Cables Limited 's Board comprises of executive and non-executive directors. The Chairman, Joint Managing Director and Joint Managing Director (operations) hold an executive position in the company; basically there are 3 whole time directors in the company with each having expertise in technical, marketing and Finance & material areas. The rest of the non-whole-time directors bring a wide range of skills and experience to the Board. The company does not have any nominee director of any financial institution.

None of the Director's of the board is a member on more than 10 committees and chairman of more than 5 committees (as specified in clause 49 of the listing agreement with stock exchanges), across all the companies in which they are Directors. The necessary disclosures regarding committee positions have been made by the Director's.

The names and categories of the directors on the board, their attendance at Board meetings during the year and at last Annual General Meeting, and also the number of directorships held by them in other companies are given below:



| Name                | Category                   | Board Meeting (2002-03) | AGM (Sept., 2002) | Other Directorship | Chair man | Mem ber |
|---------------------|----------------------------|-------------------------|-------------------|--------------------|-----------|---------|
| Mr. S. N. Bhatnagar | Chairman Managing Director | 08                      | Yes               | 03                 | 05        |         |
| Mr. Amit Suresh     | Jt. Managing Director      | 06                      | No                | -                  | 05        |         |
| Mr. Sumit Suresh    | Jt. Managing Director (O)  | 08                      | Yes               | -                  | 05        |         |
| Mr. Prakash Sinha   | Non-Executive              | 02                      | Yes               | -                  | 0         |         |
| Mr. Satish Singhal  | Non-Executive              | 01                      | No                | -                  | 0         |         |
| Mr. G. N. Verma     | Non-Executive              | 01                      | No                | -                  | 0         |         |
| Dr. T. N. Bhatnagar | Non-Executive              | 02                      | Yes               | -                  | 0         |         |
| Mr. Harshad J. Shah | Non-Executive              | 03                      | No                | -                  | 0         |         |

8 Board Meetings were held during the year 2002-2003 on 5.4.2002, 30.4.2002, 17.6.2002, 29.6.2002, 29.7.2002, 24.8.2002, 30.10.2002 and 31.1.2003. The gap between two meetings did not exceed four months.

The information as required under Annexure-I to clause 49 is being available to the Board.

#### AUDIT COMMITTEE :

The Board of Directors has constituted an Audit committee, comprises of three Independent, Non-Executive Director's namely Mr. G.N. Verma [ Chairman ] , Mr. Prakash Sinha & Mr. Satish Singhal. The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956.

The composition of the Audit Committee and the details of meetings attended by the Members are given below:

| Sr. No. | Names of Members            | Category                     | Meeting (2002-2003) attended |
|---------|-----------------------------|------------------------------|------------------------------|
| 1       | Mr.G.N.Verma.<br>(Chairman) | Independent<br>Non-executive | 3                            |
| 2       | Mr. Prakash Sinha           | Independent<br>Non-executive | 3                            |
| 3       | Mr. Satish Singhal          | Independent<br>Non-executive | 3                            |

#### REMUNERATION COMMITTEE :

The Remuneration Committee comprises of the following Directors.

- I Shri G.N.Verma Chairman & Independent Non Executive Director.
- II Shri Prakash Sinha Independent Non-Executive Director.
- III Shri Satish Singhal Independent Non-Executive Director.

The Company in its last Annual General Meeting had appointed Shri S.N. Bhatnagar, Chairman & Managing Director and Shri Amit Suresh as Jt. Managing Director of the Company, w.e.f. 1.2.2003, subject to the approval of the Cental Govt. It is a matter of great pleasure to inform you that the Company has received approval for their appointment for a period of 5 years w.e.f. 1.2.2003, subject to the terms & conditions prescribed therein.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognize their contribution, and retain talent in the organization and record merit.

The Details of remuneration to the Directors for the year ended .

#### I. Executive Directors

| Name                | Salary (Rs.) | Commission (Rs.) | Perquisites (Rs.) | Others (Rs.) |
|---------------------|--------------|------------------|-------------------|--------------|
| Mr. S. N. Bhatnagar | 1050000      | Nil              | 920957.00         | Nil          |
| Mr. Amit Suresh     | 00           | Nil              | Nil               | 12000.00     |
| Mr. Sumit Suresh    | 994500       | Nil              | 616350.00         | Nil          |

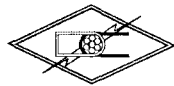
#### II. Non-executive Directors

| Name of Director    | Sitting Fees paid (Rs.) | Commission paid (Rs.) |
|---------------------|-------------------------|-----------------------|
| Mr. Satish Singal   | 3000.00                 | Nil                   |
| Mr. Prakash Sinha   | 6000.00                 | Nil                   |
| Mr. G.N.Verma       | 3000.00                 | Nil                   |
| Dr. T.N.Bhatnagar   | 6000.00                 | Nil                   |
| Mr. Harshad J. Shah | 9000.00                 | Nil                   |
| <b>TOTAL</b>        | <b>27000.00</b>         | <b>Nil</b>            |

#### INVESTOR'S GRIEVANCES COMMITTEE :

The reference mandated by your Board in line with the statutory and regulatory requirements are:

- I Redressing of shareholders and investors complaints;
- II To ensure expeditious share transfers;
- III To review status of legal cases involving the investors where the company has been made a party.



The composition, names of the members, chairperson, particulars of the meetings and attendance of the members during the year are as follows:

| Sr. No. | Names of Members             | Category                  | Meetings (2002-2003) |
|---------|------------------------------|---------------------------|----------------------|
| 1       | Mr. Prakash Sinha (Chairman) | Independent Non-executive | 3                    |
| 2       | Mr. G.N.Verma                | Independent Non-executive | 3                    |
| 3       | Mr. Satish Singal            | Independent Non-executive | 3                    |

**Name, designation & address of Compliance Officer:**

Mr. Tushar J. Lakhmapurkar  
Company Secretary,  
Diamond Cables Limited,  
"ESSEN HOUSE"  
5/12, BIDC, GORWA,  
BARODA-390016.

Phone: 91-265-2284328, 2283969  
Fax: 91-265-2280528  
E-mail: shares@dicabs.com

Details of investors complained received during 2002-2003 are as follows:

| Sr. | Nature of Complaint                                | Recd. | Disposed | Pending |
|-----|--|-------|----------|---------|
| 1   | Non-receipt of dividend warrant                    | N.A.  | N.A.     | N.A.    |
| 2   | Non-receipt of Share Certi. after /TR /Cons/ Trans | Nil   | Nil      | Nil     |
| 3   | Non-receipt of Interest Warrants                   | Nil   | Nil      | NIL     |
| 4   | Demat of Shares.                                   | 2     | 2        | Nil     |
| 5   | Non-receipt of Annual Reports                      | 3     | 3        | Nil     |

The Complaints / correspondence are usually dealt within 15 days of receipt and are completely resolved except in case where litigation is involved.

**General Body Meetings:**

Particular about the last three Annual General Meetings of the Company are:

| Sr. No. | AGM Particulars & Date                                 | Venue             | Time  |
|---------|--|-------------------|-------|
| 1       | 10 <sup>th</sup> AGM of the year 2001-2002 (28-9-2002) | Registered Office | 11 AM |
| 2       | 9 <sup>th</sup> AGM of the Year 2000-2001 (29-12-2001) | Registered Office | 11 AM |
| 3       | 8 <sup>th</sup> AGM of the Year 1999-2000 (30-12-2000) | Registered Office | 11 AM |

**DISCLOSURES :**

No transaction of material nature has been entered into by the Company with Directors or Management and their relatives etc. that may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which directors are interested is placed before the Board of Directors regularly.

There has been no instance of Non-compliance by the Company on any matter related to capital markets. Hence, the question of penalties or strictures being imposed by SEBI or the Stock Exchanges does not arise.

**MEANS OF COMMUNICATION :**

Your company uses several modes of communicating with its external stakeholders such as announcements, press releases in newspapers and other reports to the members. Your company's Quarterly results are always published in one English Daily newspaper and one Vernacular Daily newspaper and also forwarded to concerned Stock Exchanges.

**GENERAL SHAREHOLDER INFORMATION :**

I. ADDRESS OF CORPORATE HEADQUARTERS:  
DIAMOND CABLES LIMITED  
"ESSEN HOUSE", 5/12 BIDC,  
GORWA, BARODA - 390016.

II CONTACT PERSON:  
Mr. TUSHAR J. LAKHMAPURKAR  
COMPANY SECRETARY.

III ANNUAL GENERAL MEETING:  
14th August - 2003,  
PHASE II,  
VILLAGE - VADADALA,  
TALUKA - SAVLI,  
DISTRICT - BARODA.

IV DATE OF BOOK CLOSURE:  
6.8.03 to 13.8.03  
[ both days inclusive ]

V LISTED ON:  
THE VADODARA STOCK EXCHANGE  
THE STOCK EXCHANGE: MUMBAI  
THE DELHI STOCK EXCHANGE  
THE AHMEDABAD STOCK EXCHANGE

VI DEMAT STATUS:  
The Company's shares were admitted to compulsory demat under the Regn. No. INE 989C01012. Presently the shares of the company are held in electronic and physical mode. The status of the Demat of Shares as on 10<sup>th</sup> June, 2003 is 5467104 out of 13520250 equity shares of the company are demated, which is 40.43% of the Total share capital of the company.