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16TH ANNUAL REPORT 2002-2003

MINI DIAMONDS (INDIA) LTD.



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MINI DIAMONDS (INDIA) LTD.

SIXTEENTH ANNUAL REPORT OF 2002 - 2003

BOARD OF DIRECTOR	:	Shri. Upendra N. Shah (Chariman and Managing Director) Shri. Kailas N. Shah (Joint Managing Director) Shri. Deepak H. Doshi Mr. Himanshu K. Shah Dr. Upendra V. Shah Mr. Mahadev P. Desai Mr. Ajay B. Shah
AUDITORS	:	V. A. Parikh & Associates Chartered Accountants
BANKERS	:	Bank Of India, Central Bank of India.
REGISTERED OFFICE	:	7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004.
REGISTRAR & SHARE TRANSFER AGENTS	:	M/s Purva Sharegistry (India) Pvt. Ltd. 33, Printing House, 28-D Police Court Lane, Behind Old Handloom House, Fort, Mumbai – 400 001.



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NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Shareholders of the MINI DIAMONDS (INDIA) LIMITED will be held on Tuesday, 30th day of September, 2003 at the Registered Office of the Company situated at 7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004 at 10.00 a.m. to transact the following business:-

Ordinary Business :

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March, 2003 and Balance Sheet as at 31st March, 2003 and Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Mr. Himanshu K. Shah who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors for the current year and to fix their remuneration.

Special Business :

4. To Consider and if thought fit, to pass with or without modification as an Ordinary Resolution.
"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Mahadev Desai who was appointed by the Board of Directors as Additional Director of the Company and who hold office up to the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Mahadev Desai the office of Director be and is hereby appointed as a Director of the Company.
5. To Consider and if thought fit, to pass with or without modification as an Ordinary Resolution.
"RESOLVED THAT pursuant to Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Mr. Ajay B. Shah who was appointed by the Board of Directors as Additional Director of the Company and who hold office up to the date of ensuing Annual General Meeting under Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing the candidature of Mr. Ajay B. Shah the office of Director, be and is hereby appointed as a Director of the Company.
6. To Consider and if thought fit, to pass with or without modification as an Special Resolution.
"RESOLVED FURTHER THAT pursuant to the provisions of sub – section (1) of section 163 of the Companies Act, 1956, the consent of the Company is hereby accorded to the Registers and index of Members and copies of Annual returns prepared under section 159 and 160 of the said Act, together with the copies of certificates and documents, required to be annexed thereto being kept, with effect from Tuesday, 30th September, 2003 at the office of the company's Registrar & Share Transfer Agents, M/s Purva Sharegistry (India) Pvt. Ltd.33, Printing House, 28-D Police Court Lane,Behind Old Handloom House, Fort, Mumbai – 400 001 instead of being kept at the registered office of the Company "

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Resolution.

Company has received a notice in writing from a member proposing the candidature of Mr. A. H. Shah as a Director of the Company. He is hereby appointed as a Director of the Company. General Meeting under Section 360 of the Companies Act, 1956 and in respect of whom the Additional Director of the Company and who held office up to the date of ensuing Annual General Meeting under Section 257 and all other applicable provisions, if any, of the Companies Act, 1956. Mr. A. H. Shah who was appointed by the Board of Directors as

The Commission said it thought fit to pass with or without modification as an Special Resolution.

being part of the registered office of the Company."



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 4 and 5

Shri. Mahadev Desai and Shri. Ajay B. Shah were appointed as an Additional Director of the Company effective from 30th January, 2003. By virtue of the provisions of Section 260 of the Companies Act, 1956, Shri. Mahadev Desai and Shri. Ajay B. Shah would thereof, hold the office only up to the date of ensuing Annual General Meeting. The Notice under Section 257 of the Companies Act, 1956 received from the members proposing appointment of Shri. Mahadev Desai and Shri. Ajay B. Shah as Director of the Company.

The services of Shri. Mahadev Desai and Shri. Ajay B. Shah will be useful to the Company. Therefore Board is strongly recommends their appointment to avail the wise knowledge for the Company.

Shri. Mahadev Desai and Shri. Ajay B. Shah are interested in the respective resolutions.

Item No. 6

As per section 163 of the Companies Act, 1956, Register of Members, Index of Members and copies of all Annual Returns under section 159 and 160 together with copies of certificates and documents required to be annexed thereto under section 160 and 161 of the Companies Act, 1956 are to be kept at the Registered Office of the Company.

As per the SEBI circular, the Company has appointed M/s Purva Sharegistry (India) Pvt. Ltd as its registrar and share transfer agents for both physical and electronics shares w.e.f. 1st February, 2003 and therefore, Register of Members is required to be maintained at the Registered office of the Company are to be transferred to Registrar's office.

In order to keep the aforesaid registers at the Registrar's office, a special resolution is proposed to be passed.

A copy of the Resolution has been given to the Registrar of Companies, Maharashtra. None of the Directors of the Company are concerned or interested in the said resolution.

Registered Office :
7-A, Nusser House, Gr. Flr.,
Opp. Pancharatna Bldg.,
Mama Parmand Marg,
Opera House, Charni Road,
Mumbai 400 004.

By order of the Board of Directors

Director.

Place : Mumbai
Dated : 3rd September, 2003.



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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Sixteenth Annual Report together with the Audited statement of accounts of the company for the year ended 31st March, 2003.

FINANCIAL RESULTS

	Year ended 31st March 2003	Year ended 31st March 2002
Sales	Nil	Nil
Profit/(Loss) Before Interest and Depreciation	(2,27,527)	(3,88,988)
Less: i) Interest	Nil	Nil
ii) Depreciation	68,179	79,365
Profit/(Loss) before Taxation	(2,95,706)	(4,68,353)
Profit/(Loss) after Taxation	(2,95,706)	(4,68,353)
Add. Balance in profit and Loss account brought fwd	(2,53,12,726)	(2,48,44,373)
Balance carried to Balance Sheet	(2,56,08,432)	(2,53,12,726)

DIVIDEND

Your Directors regret their inability to recommend any Dividend on account of carry forward losses suffered by the Company.

REVIEW OF OPERATIONS

During the Year under review, the total income is Rs. Nil against the income of Rs. 2,112/- of the previous year.

FINANCE

The Company's paid-up equity share capital is Rs. 3,44,15,000/- against the Authorised Share Capital of Rs. 3,50,00,000/-. The Company endeavors to ensure most economic and efficient capital structure.



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DIRECTORS

The Board at present comprises of Shri. Upendra N. Shah, Shri. Kailas N. Shah, Shri. Himanshu K. Shah, Dr. Upendra V. Shah, Shri. Deepak H. Doshi and Shri. Mahadev Desai and Shri. Ajay B. Shah all having vast business experience. Mr. Himanshu K. Shah retires by rotation and being eligible offers himself for reappointment.

Mr. Mahadev Desai and Mr. Ajay B. Shah were appointed as Additional Director and they hold the office up to the date of ensuing Annual General Meeting. The Company has received a notice proposing their appointment under the provisions of Section 257 of the Companies Act, 1956 as candidate for the office of Director. The Board is of the opinion that their knowledge and experience would be of immense help for the overall progress of the Company and hence the board recommends their appointment as Director.

The Company has complied with the relevant provisions of the listing agreement of having more than 50% of the board as independent Non executive Directors. The details are given under the Corporate Governance.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed that:

- i. in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- ii. the Directors had 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 as at the end of the financial year and of the profit/loss of the Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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.

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES

The relationship between the Company and its employees has remained extremely cordial. The Directors take this opportunity to recording their deep appreciation of the services rendered by the employees. Particulars of employees within the meaning of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of employees) Rules, 1975, as amended is reported to be nil.



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LISTING FEES

The Company has paid its listing fees to the Mumbai Stock Exchange on completion of formalities to commence the trading of shares at Mumbai Stock Exchange. The Company has informed the Mumbai Stock Exchange for revival of listing and has started completing formalities in this regard. However, your Company has yet to pay listing fees for Ahmedabad and Delhi Stock Exchange, which shall be paid very soon.

CORPORATE GOVERNANCE

Under the Listing Agreement, the provisions of Clause 49 relating to Corporate Governance are applicable to the Company effective 31st March 2003. However, the Company has already initiated steps to comply with the requirements. The Audit Committee is not required to be formed pursuant to Section 292A of the Companies Act, 1956 since the Paid-up Capital is less than Rs. 5 Crores. The Corporate Governance Report and Certificate from Auditor is given in Annexure-I and forms part of this report.

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under section 217 (1) (e) of the Companies Act, 1956 read with (Disclosure of particulars in the report of board of directors) Rules, 1988, is as follows:

- The particulars regarding conservation of energy is **NOT APPLICABLE**
- The information regarding technology absorption and innovation is reported to be **Nil**
- The information regarding Foreign Exchange earnings and outgo is as follows:
- | | |
|--|------------|
| a) F.O.B. Value of Exports | Nil |
| b) C.I.F. Value of Imports | Nil |
| c) Value of Capital Goods made in Foreign Currency | Nil |

AUDITORS

M/s. V.A. Parikh & Associates Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Sixteenth Annual General Meeting and being eligible, have offered themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to place on record their deep appreciation and sincere gratitude to the various departments of Central Government and the Bankers of the Company for their valuable assistance and look forward to their continued co-operation.

By ORDER OF THE BOARD OF DIRECTOR

Place : Mumbai

Dated : 3rd September, 2003.

UPENDRA N. SHAH
CHAIRMAN



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ANNEXURE I TO DIRECTORS' REPORT: -

CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the Format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity. The Company has implemented mandatory requirements of the Code of Governance as mentioned in Clause 49 of the Listing Agreement.

2) BOARD OF DIRECTORS

Composition and number of meeting held:

There are Seven members of the Board of Directors. The Board comprises of One Chairman & Managing Director, One Joint Managing Director and Five other non-executive Directors. All are independent Directors.

During the financial year ending 31-03-2003, 10 (Ten) meeting of the Board of Directors were held on 30-4-2002, 3-7-2002, 31-7-2002, 3-9-2002, 31-10-2002, 30-11-2002, 30-12-2002, 30-1-2003, 28-2-2003 and 25-3-2003. The Composition of the Board, attendance at Board Meeting held during the year and the last Annual General Meeting, number of Directorship in other Companies and Memberships in committees across various Companies of which the Director is a Member / Chairman are given below.

Name of the Director	Category	No. of other Directorships	Committee No. of Membership	Positions Chairman	No. of Board Meeting Attended	Last AGM Attended
Mr. Upendra N. Shah	Promoter Chairman & Mg. Director.	NIL	NIL	NIL	5	Yes
Mr. Kailas N. Shah	Promoter & Jt. Managing Director	NIL	NIL	NIL	5	Yes
Himanshu K. Shah	Promoter & Non-Executive Director	1	NIL	NIL	10	Yes
Dr. Upendra V. Shah	Independent & Non-Executive Director	NIL	NIL	NIL	6	No
Mr. Deepak H. Doshi	Independent & Non-Executive Director	NIL	NIL	NIL	6	No
Mr. Mahadev Desai	Independent & Non-Executive Director (Additional Director)	NIL	NIL	NIL	3	No
Mr. Ajay B. Shah	Independent & Non-Executive Director (Additional Director)	NIL	NIL	NIL	3	No