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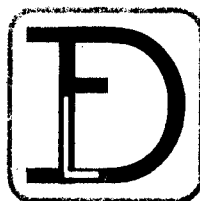
REPORT

Report



Junction

2005-06



Diamant Investment & Finance Ltd

DIAMANT INVESTMENT & FINANCE LTD.
(FORMERLY: DIAMANT CARBON & GRAPHITE PRODUCTS LTD.)

BOARD OF DIRECTORS:

Shri Jagdish Bhatt	Director
Shri B. Mallikarjuna Rao	Director
Shri Ramesh Mishra	Director

BANKERS:

Syndicate Bank

Sir P.M. Road, Fort, Mumbai.

UTI Bank Ltd.

Sir P.M. Road, Fort, Mumbai

AUDITORS:

M/s. P. Sanghani & Co.

Chartered Accountants, Mumbai

REGISTERED OFFICE:

9, Beaumoon Chambers,
27/33, Nagindas Master Road,
Fort, Mumbai-400 023

DIAMANT INVESTMENT & FINANCE LTD.
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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of Diamant Investment and Finance Limited will be held on Saturday 30th September, 2006, at the Registered Office of the Company at 9, Beau Moon Chambers, 27/33, N.M. Road, Fort, Mumbai-400 023 at 1.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 2006, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Naresh Saboo, who retires by rotation, but being eligible offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, to authorise the Board of Directors to fix their remuneration.

By Order of the Board
For DIAMANT INVESTMENT AND FINANCE LIMITED

Jagdish Bhatt
Director

Place: Mumbai
Date: 29th July, 2006

NOTES:

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE AT 9, BEAUMOON CHAMBERS, 27/33 N.M. ROAD, FORT, MUMBAI-400 023 NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.

1. The Register of Members and Share Transfer Book of the Company will remain close from 25th September, 2006 to 29th September, 2006 (both days inclusive) for the purpose of payment of dividend.
2. Members or their proxy attending the meeting may please bring the Admission slip duly filled in and hand over the same at the entrance to the Meeting Hall.
3. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their question in writing to the Board of the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
4. Members are requested to bring the copy of the Annual Report sent to them.

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5. Members are requested to notify any changes 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.
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 which remains unclaimed/unencashed over a period of 7 years have to be transferred by the Company to Investor Education and Protection Fund, constituted by the Central Government under Section 205(C) of the Companies Act, 1956.
8. The details of dividend paid by the Company and their respected due dates of the proposed transfer to such Fund of the Central Government if they remain unencashed are as under:

Date of Declaration	Date of Dividend	Dividends for the year	Dividend Rs. per Share	Due date of the proposed transfer to the Central Government
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
28.09.2005	01.10.2005	2004-05	1.00	06.10.2012

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 and Protection Fund of the Central Government, under the amended provisions of Section 205(C) of the Companies Act, 1956.

In view of this 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.

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DIRECTORS' REPORT

Your Directors are pleased to present the 26th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2006.

CHANGE OF MANAGEMENT:

The Management of the Company has been changed from Mr. Sanat M. Shah & Associates to M/s. Saboo Capital and Securities Private Limited & Associates. Pursuant to the open offer and in accordance with the SEBI takeover code Mr. Naresh Saboo takeover the Management on 3rd February, 2006.

SUMMARISED FINANCIAL RESULTS:

	(Rs. in Rupees)	
	Year ended 31.3.2006	Year ended 31.3.2005
Income	91,707,832	7,993,128
Profit before interest and depreciation	(3,556,913)	4,718,982
Less: Depreciation	63,196	89,396
Dividends	—	120,000
Balance brought forward from previous year	9,041,023	12,913,613

THE YEAR UNDER REVIEW:

Your Company's key businesses have reported an encouraging performance for the year ended 31st March, 2006.

The Company has reported loss on account of stock valuation by FIFO method.

FUTURE OUTLOOK:

The Company has decided to train and give more emphasis into its core competency, i.e., trading and financial activities.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE:

As required by the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the relevant information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

- A) **CONSERVATION OF ENERGY:** The Company continues its policy of encouraging energy conservation measures. The regular review of energy consumption and the systems installed to control utilisation of energy is undertaken.
- B) **RESEARCH DEVELOPMENT ACTIVITIES:** Continuous efforts are being made to improve reliability and quality through in-house R&D efforts.

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C) TECHNOLOGY ABSORPTION: The Company is equipped with technologies from world's leaders like.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO:

	2005-06 (Rs. Lacs)	2004-05 (Rs. Lacs)
(a) Foreign Exchange Used	Nil	Nil
(b) Foreign Exchange Earned	Nil	Nil

FIXED DEPOSITS:

The Company neither has accepted nor renewed any fixed deposit during the year under review.

DIRECTORS:

Mr. B. Mallikarjuna Rao, Mr. Jagdish Bhat and Mr. Ramesh Mishra have been appointed as a Director of the Company. The Company under Section 257 of the Companies Act, 1956, has received proposals from the members for appointment of Mr. B. Mallikarjuna Rao, Mr. Jagdish Bhat and Mr. Ramesh Mishra as Directors of the Company at this forthcoming Annual General Meeting.

Mr. Harshad N. Shah, Sanat M. Shah, Mrs. M.U. Dalal, R. Harshad H. Vasa, Mr. C.K. Paulson and Mr. Naresh Saboo resigned as Director of the Company.

DIVIDEND:

Your Board has not recommended any dividend for the year ended 31st March, 2006.

AUDITORS' REPORT:

Relevant notes on accounts are self-explanatory and are as per Annexure to the Auditors' Report.

COMPLIANCE CERTIFICATE:

Pursuant to Section 383(1)(A) of the Companies Act, 1956, the Company has obtained Compliance Certificate from Mr. Satyajit Mishra Company Secretary in Practice.

PERSONNEL:

The Company has not paid any remuneration attracting the provisions (Particulars of Employees) Rules, 1975, read along with Section 217(2A) of the Companies Act, 1956. Hence, no information is required to be appended to this report in this regard.

AUDITORS:

M/s. P. Sanghani & Co. has tendered their resignation for personal reason.

The Board has suggested the name of M/s. Tushar Parekh & Associates, Chartered Accountants, Mumbai, to be appointed as the Statutory Auditor of the Company for the period 2006-2007. They have furnished a certificate to the effect that the proposed re-appointment, if made, will be in accordance with the limits specified u/s. 224(1B) of the Companies Act, 1956.

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DE-LISTING OF SHARES:

The Shares of the Company has been listed on BSE and Ahmedabad Stock Exchange. On verification it is noticed that for past 6 years there has been any transaction of shares at Ahmedabad Stock Exchange. Taking account the above facts the Board recommends the approval of the members for delisting of the shares from Ahmedabad Stock Exchange.

Even after this delisting the shares will be remain listed with Bombay Stock Exchange.

HUMAN RESOURCES:

Your Directors would like to place on record their deep appreciation of all employees for rendering quality services to every constituent of the Company.

ACKNOWLEDGEMENTS:

Your Directors convey their sincere thanks to the Government, Banks, Shareholders and Customers for their continued support extended to the Company at all times.

The Directors further express their deep appreciation to all employees for commendable teamwork, high degree of professionalism and enthusiastic effort displayed by them during the year.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- i) That in the preparation of the accounts for the financial year ended 31st March, 2006; the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) That the Directors have selected such accounting policies and applied them consistency and made judgements and estimates that were 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 and loss of the Company for the year under review;
- iii) That 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) That the Directors have prepared the accounts for the financial year ended 31st March, 2006, on a 'going concern' basis.

By Order of the Board
For DIAMANT INVESTMENT AND FINANCE LIMITED

Jagdish Bhatt
Director

Place: Mumbai
Date: 29th July, 2006