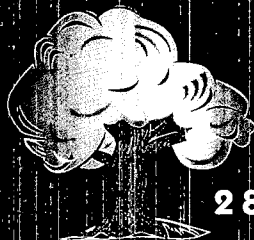




**Diamant Investment & Finance Ltd.**



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## **BOARD OF DIRECTORS**

**SHRI NARESH SABOO**

**-CHAIRMAN**

**SHRI NARESH JAIN**

**-MANAGING DIRECTOR**

**SHRI RAMESH MISHRA**

**SHRI SASANKA SHEKHAR MISHRA**

## **BANKERS**

**Syndicate Bank**

**Axis Bank Ltd**

**ICICI Bank Ltd**

## **AUDITORS**

**Tushar Parekh & Associates**

**Chartered Accountants, Mumbai**

## **REGISTERED OFFICE**

**9, Beaumoon Chambers,  
27/33, Nagindas Master Road,  
Fort, Mumbai- 400 023  
Tel No.:(022) 6615 6604/6**

## **REGISTRAR & TRANSFER AGENT**

**Intime Spectrum Registry Ltd.  
C-13 Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai- 400 078  
Tel No.:(022) 2596 3838**

**Schedule - 19:****Significant Accounting Policies:****a. Basis of Preparation of Financial Statements:**

Financial statements are prepared on the historical cost convention in accordance with the Generally Accepted Accounting Principals (GAAP), Accounting Standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

The accounting policies have been consistently applied by the Company and except for the changes in accounting policy for valuation of inventories discussed below, are consistent with those used in the previous year.

**b. Use of Estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the years presented. Actual results could differ from those estimates.

**c. Inventories:**

Stock of equity shares held as stock-in-trade by the company is valued at Cost. Cost of inventories is determined on "first in first out" basis.

**d. Cash Flow Statement:**

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

Cash and cash equivalents presented in the Cash Flow Statement consist of cash on hand and balance with scheduled banks.

**e. Fixed Assets:**

Fixed Assets are stated at cost including all incidental expenses incurred for bringing the asset to its current position, less depreciation at rates prescribed in Schedule XIV to the Companies Act, 1956, subject to provisions of Accounting Standard 26 "Intangible Assets" issued by Institute of Chartered Accountants of India.

**f. Depreciation:**

Depreciation has been provided on Straight Line Method in accordance with section 205(2) of the Companies Act, 1956 at the rates specified in schedule XIV to the Companies Act, 1956, on pro-rata basis with reference to the period of use of such assets.

**g. Impairment of Assets:**

The carrying amounts of Cash Generating Units/Assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated at the higher of net realisable value and value in use. Impairment loss is recognised wherever carrying amount exceeds the recoverable amount.

**h. Revenue Recognition:**

Incomes/Expenses/Revenues are accounted for on accrual basis in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India. Revenue is recognised to the extent that it is probable that the economic benefit will flow to the company and the revenue can be reliably measured.

Sale of shares is accounted when the contract for sale is entered into.

Profit/loss on derivative transaction is recognised on the expiry/exercise of Future Contracts on or before the date of settlement of the relevant contract.

Revenue on account on contracts entered is recognised on the basis of the certification of work done by the principal contractor.

## DIRECTORS' REPORT

Your Directors are pleased to present the 28th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2008.

### SUMMARISED FINANCIAL RESULTS:

(Rs. in LACS)

	Year ended 31.3.2008	Year ended 31.3.2007
Income	19388.58	13652.58
Profit before interest and depreciation	118.06	96.34
Less:		
Depreciation	13.59	0.63
Tax	1.05	0.35
Interest	8.61	5.54
Net Profit After Tax	88.65	85.47
Dividends	-	120.00
Balance brought forward from previous year	175.88	90.41
Total	264.53	175.88

### THE YEAR UNDER REVIEW

Your Company's key businesses have reported an encouraging performance for the year ended 31st March 2008.

### FUTURE OUTLOOK

The Board feels that the Future of India lies with the Infrastructure Development of the country to develop India. Considering the Growth of the Company and taking into account the available opportunities in the Infrastructure Business, the Board has recommended venture into Infrastructure business with change of name and its object.

Company has procured some contracts from big players in Infrastructure business, and potential infrastructure contracts are also on the cards as there is lot of developments in all sector.

The Board at this Juncture propose to enhance the capital by issue of right shares @ 2 Rights for each shares held on the Record date.

The Board Strongly feels that by venturing into the realty business, in the days to come, the wealth of the shareholders will enhance.

### 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 utilization of energy is undertaken.
- B) RESERCH DEVELOPMENT ACTIVITIES: Continuous efforts are being made to improve reliability and quality through in-house R&D efforts.
- C) TECHNOLOGY ABSORPTION: The Company is equipped with technologies from world's leaders like
- D) FOREIGH EXCHANGE EARNINGS & OUTGO:

	Year ended (Rs. Lacs)	Year ended (Rs. Lacs)
a. Foreign Exchange Used	Nil	Nil
b. Foreign Exchange Earned	Nil	Nil

**DIAMANT INVESTMENT & FINANCE LIMITED****FIXED DEPOSITS**

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

**DIRECTORS**

Mr. Naresh S. Saboo, Mr. Naresh Jain and Mr. Sasanka Shekhar Mishra appointed as Director of the Company. In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Ramesh Mishra - Independent Director retires by rotation and being eligible offer himself for re-appointment.

**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**

The retiring Auditors M/s. Tushar Parekh & Associates., Chartered Accountants, Mumbai, hold office till the conclusion of this Annual General Meeting. 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.

**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, 2008, 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 consistently and made judgments 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 2008 on a 'going concern' basis.

On behalf of the Board of Directors.

Place: Mumbai

Shri Naresh Jain

Date: 30th July 2008

Director

Company No.: U26994MH2003PTC143264

Auth. Capital: Rs. 5.00 Crore

## COMPLIANCE CERTIFICATE

To

The Members of

**Diamant Investment And Finance Limited**

We have examined the registers, records, books and papers of M/s. Diamant Investment And Finance Limited as required to be maintained under the Companies Act, 1956 and the Rules made thereunder and also the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended 31st March 2008. In our opinion and to the best of our information and according to the examination carried out by us and explanation furnished to us by the Company, its Officers and Agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all register 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 rules made thereunder.
3. The Company being public company details are not required
4. The Board of Directors duly met 5 times on, 16/06/2007, 09/07/2007, 04/08/2007, 30/10/2007 and 31/01/2008 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The company in compliance with section 154 of the Companies Act, 1956 has closed its Register of Members from 19/07/2007 to 26/07/2007 (both days inclusive).
6. The annual general meeting for the financial year ended on 31st March, 2007 was held on 27th July 2007 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary meeting(s) was/were held during the financial year ended 31st March, 2008.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered any contract as specified in section 297 of the Companies Act 1956.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of directors, members or central Government.
12. The Committee of Directors has approved the Transfer/ Transmission/ Split/Consolidation/ issue of duplicate share certificates.
13. The Company has:
  - i. Delivered all the certificates lodged /submitted for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - ii. The Company has deposited any amount in a separate Bank Accounts as dividend was declared during the financial year;
  - iii. The Company sent warrants to any member of the company during the financial year.
  - iv. The company has transferred the amounts in unpaid dividend account, application money due for refund for the year 1998-99 which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund; and
  - v. duly complied with the requirements of section 217 of the Act.



**DIAMANT INVESTMENT & FINANCE LIMITED**

14. The Board of Directors of the company is duly constituted and all the appointments made were in accordance with the Companies Cat, 1956.
15. The Company has appointed Mr. Naresh Jain as Managing Director during the financial year.
16. The Company has not appointed any sole selling agents during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year ended 31st March, 2008.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any shares/debentures/other securities during the financial year and complied with the provisions of the Act.
20. The Company has not bought back any shares during the financial year. The Company has forfeited 1050 shares during the period of review
21. There was no redemption of preference shares or debentures during the financial year as the company has not issued any preference shares or debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. Except for meeting the day-to-day requirements, the company has not made any borrowings during the financial year ended 31st March, 2008. The amount borrowed during the financial year ending 31st March, 2008 is/are within the borrowing powers of the company and that necessary resolutions as per section 293(1)(d) of the Act have already been passed. The Company also accepted ICD's from other companies.
25. The company has not made any loans and investments, or given guarantees or provided securities to other bodies corporate for the financial year ended 31st March 2008. The Company being an Investment company has invested in Shares and securities of other companies. Also, the company has incorporated three 100% subsidiary company.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from the state to another during the year under scrutiny.
27. The Company has altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to the share capital of the company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the name of the company during the year under scrutiny.
30. The company has not altered its Article of Association during the Financial Year.
31. There was/were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.

32. The Company has not received any money as security from its employees during the financial year.
33. The company has deposited both employee's and employer's contribution to provident fund with prescribed authorities pursuant to section 418 of the Act.

**For Satyajit Mishra & Co.**  
**Company Secretary in Practice**

Place: Mumbai

Date: 26.06.2008

**Proprietor**  
**C.P. No.: 4997**

Company No.: U26994MH2003PTC143264

#### Annexure 'A'

Registers as maintained by the Company.

- |  |               |
|--|---------------|
| 1. Register of Members with Index      | Us. 150 & 151 |
| 2. Share Transfer Register with Index  | U/s. 108      |
| 3. Register of Directors               | U/s. 303      |
| 4. Register of Director's Shareholding | U/s. 307      |
| 5. Register of Contracts               | U/s. 301      |
| 6. Register of Investments             | U/s. 372A     |
| 7. Register of Loans                   | U/s. 372A     |
| 8. Register of Charge                  | U/s. 143      |
| 9. Minutes of Board Meeting            | U/s. 193      |
| 10. Minutes of the AGM/EGM Meeting     | U/s. 193      |

#### Annexure 'B'

Forms and Returns as filed by the Company with Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2007.

1. Annual Return made up to 27.07.2007 and the due date 26th September 2007 and was filed on 18.09.07.
2. Balance Sheet for the year ended on 31st March, 2007 and adopted at the Annual General Meeting held on 27.07.2007 was filed on 13.08.07.
3. Form 66 relating to Compliance Certificate for the year ended on 31st March, 2007 having due date on 26th August 2007 was filed on 13.08.07.
4. Form 23 relating to special resolutions and business having due date 26.08.2007 was filed with Roc on 09.08.2007.

**For Satyajit Mishra & Co.**  
**Company Secretary in Practice**

Place: Mumbai

Date: 25.06.2008

**Proprietor**  
**C.P. No.: 4997**



**DIAMANT INVESTMENT & FINANCE LIMITED****AUDITOR'S REPORT**

To the Members,

M/s Diamant Investment & Finance Limited,

We have audited the attached Balance Sheet of M/s. Diamant Investment & Finance Limited as at 31st March, 2008 and also the Profit and loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
  - c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e) On the basis of written representations received from the directors, and taken on record by the Board of Directors, in our opinion none of the directors is disqualified as on 31st March, 2008 from being appointed as directors in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956 as on that date.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
    - i. in so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
    - ii. in so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date;
    - iii. in case of Cash Flow Statement of the cash flows for the year ended on that date.

**For Tushar Parekh and Associates**  
Chartered Accountants

Place: Mumbai

Date: 25th June 2008

**CA Tushar Parekh**  
Proprietor  
Membership No: 103230

### Annexure to the Auditors' Report

To the Members,

**M/s Diamant Investment & Finance Limited,**

(Referred to in Paragraph 3 of our report of even date)

Based upon the information and explanations furnished to us, and the books and records examined by us in the normal course of our audit, we report that to the best of our knowledge and belief:

1. In respect of its fixed assets:
  - a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, the fixed assets have been physically verified by the management at the year end, which in our opinion is reasonable, having regard to the size of the company and nature of its assets. No material discrepancies have been reported on such verification.
  - c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
  - a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the nature of its business.
  - c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
  - a) The Company had not granted any unsecured loans to any companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
The Company has taken unsecured loans from companies covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to Rs. 8,17,91,576/- and the year-end balance in respect of these loans was Rs. 7,55,70,506/-.
  - b) In our opinion and according to the information and explanations given to us, the terms and conditions on which such loans have been taken are not, prima facie prejudicial to the interest of the Company.
  - c) In respect of above loans taken by the Company, these are repayable on demand and therefore the question of overdue amounts does not arise.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of inventories. During the course of our audit, we have not observed any weaknesses in internal control.
5. In our opinion, the Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA of the Companies Act, 1956 and the rules framed there under.
6. According to the information and explanations given to us, there have been no transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Therefore, Clause 4(vi) of the Companies (Auditor's Report) order, 2003 is not applicable to the Company.
7. There is no internal audit system prevalent in the Company.