



DIAMANT INVESTMENT & FINANCE LTD.



29 TH ANNUAL REPORT 2008 - 09



DIAMANT INVESTMENT & FINANCE LIMITED

BOARD OF DIRECTORS

Shri Naresh Saboo

- Chairman cum Managing Director

Shri Naresh Jain

- Director

Shri Ramesh Mishra

- Director

Shri Puneet Srivastava

- Director

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

Purva Sharegistry (I) Pvt. Ltd.

9, Shiv Shakti Industrial Estate,

J.R. Boricha Marg,

Opp. Kasturba Hospital,

Lower Parel (E),

Mumbai- 400 011.

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NOTICE

NOTICE is hereby given that the 29TH Annual General Meeting of the members of Diamant Investment & Finance Limited will be held as under:

DAY: Saturday

VENUE:

9, Beau Moon Chambers

27/33 N.M RD. Fort

Mumbai - 400 023

DATE : 11th July 2009

TIME : 11.30 A.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, 2009, 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 retire by rotation and 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.

SPECIAL BUSINESS:

4. To Consider and if thought fit pass with or without modification the following Resolutions as a Ordinary Resolution:

"RESOLVED THAT Mr. Puneet Kumar Srivastava, who was appointed as an Additional Director with effect from 5th June 2009 and who holds office as such upto the date of this meeting and is eligible for appointment as Director, and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as a Director of the Company.

5. To Consider and if thought fit pass with or without modification the following Resolutions as a Special Resolution- Appointment of Mr. Naresh Saboo as Managing Director :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, and 311 read together with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Board hereby accords its consent and approval to the appointment of Mr. Naresh Saboo as Managing Director of the Company for a further period of three years with effect from 1st April 2009 on terms and conditions including remuneration and perquisites as under:

1. The Managing Director (hereinafter called Director) shall carry out such functions, exercise such powers and perform such duties as the Board of Directors of the Company (hereinafter called "The Board") shall from time to time determine and entrust to him. Subject to the superintendence, control and direction of the Board, the Managing Director shall have the general control and be responsible for the day to day business of the Company with powers to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things which in the ordinary course of such business he may consider necessary or proper in the best interests of the Company.

The Managing Director shall report to the Board and shall be responsible for all his actions to the Board. It is hereby expressly agreed and declared that nothing herein contained shall vest or shall be deemed to be intended to vest in the Director, the management of the whole or substantially the whole of the affairs of the Company.



DIAMANT INVESTMENT & FINANCE LIMITED

1. Salary: Rs. 50,000 -70,000 - 1, 00,000/- per month.
2. Perquisites: The Managing Director shall be perquisites the total value of the perquisites shall be restricted to an amount equal to the annual salary or Rs. 40,000 - 60,000 - 80,000/- per annum, whichever is lower.

In case the Managing Director dies during the course of his employment, the Company shall pay to his heirs/ legal representatives the remuneration and/or other perquisites due and payable upto the date of death of the Managing Director.

The Managing Director shall not either during the continuance of his employment hereunder or thereafter except in the proper course of his duties hereunder divulge to any person whomsoever and shall us his best endeavors to prevent the publication or disclosure of any trade secret or business Developments, Business Details.

RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year during the period of Mr. Naresh Saboo's appointment, he will be paid or provided the salary, the allowances, and the perquisites as set out in the foregoing part of this resolution as the 'minimum remuneration' notwithstanding the fact that such remuneration is in excess of the limits set-out in Sections 198 and 309 of the Companies Act, 1956 or in Section II of Part II of Schedule XIII to the Companies Act, 1956 and necessary approvals will be sought from Central Government."

RESOLVED FURTHER that an agreement, covering the above terms, be executed with Mr. Naresh Saboo under the Common Seal of the Company to be affixed thereto in accordance with the Articles of Association of the Company.

6. To Consider and if thought fit pass with or without modification the following Resolutions as a Special Resolution- Borrowing Powers

RESOLVED THAT the consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956, to the Board of Directors of the Company borrowing from time to time all such sums of money as they may deem requisite for the purpose of the Business of the Company notwithstanding that the money to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of thee paid up capital of the company and its free reserves that is to say, reserve not so set apart form any specific purposes, provided that the total amount upto which moneys may be borrowed by the Board of Directors (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed Rs. 300 Crore (Rupees Three Hundred Crore) outstanding at any time.

7. Consider and if thought fit pass as an ordinary resolution: for keeping the books of accounts at a place other than the registered Office.

"RESOLVED THAT subject to the approval of the members, approval be and is hereby given to the keeping of all or any of the Books of Accounts of the Company at a place 368, Saboo Kunj, Walkar Road, Mahal, Nagpur - 440 002 other than the registered office of the company with effect from 1st August 2009.

RESOLVED FURTHER THAT Mr. Naresh Saboo - Managing Director be and is hereby authorized to send necessary notice in writing to the Registrar of Companies, Maharashtra.

By Order of the Board

Naresh Saboo
Managing Director

Registered Office:

9, Beau Moon Chambers
27/33 N.M Road Fort
Mumbai - 400 023

Mumbai, Dated: 5th June 2009

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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, BEAUMON CHAMBERS, 27/33 NAGINDAS MASTER RD, FORT, MUMBAI 400 001. NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING.

1. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under Item No. 5 to 12 to the notice is annexed.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 30th June 2009 to 4 July 2009 (both days inclusive).
3. In compliance with SEBI Circular No. D&CC/FITT/CIR-15/2002 dated December 27, 2002 read with circular No. D&CC/FITT/CIR-18/2003 dated February 12, 2003, mandating a Common Agency for Share Registry Work (Physical & Electronic), the company has already appointed Intime Spectrum Registry Limited. C- 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (west), Mumbai- 400078.
4. Members are requested to notify immediately any change in their address to the share transfer agent M/S Purva Share Registry (India) Pvt Ltd, 9, Shiv Shakti Industrial Estate, Sitaram Mills Compound, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East) Mumbai 011.
5. 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.
6. Members may please bring the Admission Slip duly filled in and may hand over the same at the entrance to the Meeting Hall and is/are requested to bring the copy of the Annual Report sent to them.
7. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their questions in writing to the Board of Directors 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.
8. Information required to be furnished under the Listing Agreement.

As required under the listing Agreement with the Stock Exchanges, the particulars of Directors who are proposed to be appointed/reappointed is given below:

1. Name : Mr. Naresh Saboo
Date of Birth : 29th April, 1964
Qualification : Chartered Accountants
Expertise : Finance and Securities Market
Other Directorship : Saboo Capital & Securities Pvt Ltd *
* Saboo Capital & Securities Pvt Ltd is the promoter of the Company
2. Name : Mr. Puneet Kumar Srivastava
Date of Birth : 12th August 1967
Qualification : M.Tech. in Geo-Tech. Engineering, from R.E.C Kurukshetra, Kurukshetra University.
B.Tech. in Civil Engineering from Institute of Engineering and Technology, Lucknow, Lucknow University - 1989.
Expertise : Major Highways Projects including use of highway construction technology and road projects range from reviewing and scrutinizing construction Drawing, preparing Draft for correspondence to contractor and client, preparing Monthly Progress Report, checking Interim Payment Certification and material investigation of soils, asphalt, concrete and Quality Control Documentation, report preparation. Also, extensive knowledge in surface and sub-surface exploration and have associated with scrutiny of results, interpretation, formulation and recommendations regarding foundation design.
Other Directorship : Not/Applicable



DIAMANT INVESTMENT & FINANCE LIMITED

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SUB SECTION (2) OF SECTION 173 OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS SET OUT IN THE NOTICE CONVENING THE ANNUAL GENERAL MEETING.

ITEM NO. 4

Mr. Puneet Kumar Srivastava was appointed as an Additional Director of the Company on 5th June 2009. Pursuant to section 262 of the Companies Act, 1956 read with Article 108 of the Articles of Association of the Company holds office up to the date of this Annual General Meeting.

The Company has received a notice in writing under section 257 of the Companies Act, 1956 from a member signifying his intention to propose Mr. Puneet Kumar Srivastava as a candidate for the office of the Company. Mr. Puneet Kumar Srivastava aged 43 years, is an Engineer and has extensive administrative, financial, regulatory and managerial experience and the company would benefit immensely from his extensive knowledge and experience. He is appointed as an Independent Director.

None of the Directors of the Company other than Mr. Puneet Kumar Srivastava's is concerned or interested in this item of business as it relates to his appointment as a Director of the Company.

ITEM NO. 5

Mr. Naresh Saboo was appointed as a Director of the Company on 16th June 2007. The Board appointed him as a Managing Director of the company with effect from 1st April, 2009.

Mr. Naresh Saboo, aged 47 years, is a Chartered Accountant and has extensive administrative, financial, regulatory and managerial experience and the company would benefit immensely from his extensive knowledge and experience. Mr. Naresh Saboo also Director and Shareholder of Saboo Capital and Securities Pvt Ltd the promoter company. The Board considers it desirable that the Company should continue to avail of Mr. Naresh Saboo's services as a Managing Director and accordingly commends the Resolution for acceptance by the members.

None of the Directors of the Company other than Mr. Naresh Saboo's is concerned or interested in this item of business as it relates to his appointment as a Director of the Company. He is also a Director and Share holder of Saboo Capital & Securities Pvt Ltd, who is the promoter of the company.

ITEM NO. 6

The members at their meeting held on 26th January 2006 under section 293(1)(d) of the Companies Act, 1956 authorised the Board to borrow upto Rs. 30cr at any time. However taking into account the infrastructure activities of the Company and the fund requirements the Board feel it is relevant and appropriate time to seek approval under Section 293(1)(d) of the companies Act, 1956 to borrow upto 300Cr at any time.

None of the Directors are/is concerned or interested in the resolution save and except to the extent of their shareholding(s).

ITEM NO. 7

The Company has opened its corporate office at 368, Saboo Kunj, Walkar Road, Mahal, Nagpur - 440 002. All the account staff and other people are operating from the said place. For the purpose of convenience it is recommended to keep all the Books of the accounts and other statutory documents at a place other than at the registered office.

None of the Directors are interested in the said resolution.

By Order of the Board

**Naresh Saboo
Managing Director**

Registered Office:
9, Beau Moon Chambers
27/33 N.M Road Fort
Mumbai - 400 023

Mumbai, Dated: 5th June 2009

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DIRECTORS' REPORT

Your Directors are pleased to present the 29th Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2009.

SUMMARISED FINANCIAL RESULTS:

| | Year ended 31.3.2009 | (Rs. in LACS) Year ended 31.3.2008 |
|--|-------------------------|--|
| Income | 12224.68 | 19388.58 |
| Profit before interest depreciation & tax | 103.20 | 118.06 |
| Less: | | |
| Depreciation | 47.23 | 13.59 |
| Tax including adjustments | 11.69 | 1.05 |
| Interest | 38.65 | 8.61 |
| Prior Period adjustments | (0.64) | - |
| Net Profit After Tax | 6.27 | 88.65 |
| Dividends | - | - |
| Balance brought forward from previous year | 264.53 | 175.88 |

THE YEAR UNDER REVIEW

Your Company's infrastructure business have reported an encouraging performance for the year ended 31st March 2009.

FUTURE OUTLOOK

The Board feels that the mandate for political stability by the people of India will bring lot of capital for developing infrastructure of the country and future of India lies with the Infrastructure Development of the country. Considering the Growth of the Company in infrastructure business and taking into account the available opportunities in the Infrastructure Business, the Board has decided to focus only on infrastructure/real estate projects.

Company has successfully completed and bagged some large contracts from big players in Infrastructure business, and the company is also in process of completing the order book of rupees 40 crores to be completed by March 2010. The company is negotiating some big orders for BOT projects.

The Board Strongly feels that by venturing into the infrastructure and 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) FOREIGN EXCHANGE EARNINGS & OUTGO:

| | 2008-2009 (Rs. Lacs) | 2007-2008 (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. Naresh S. Saboo, Mr. Naresh Jain, Mr. Ramesh Chandra Mishra and Mr. Mr. Puneet Kumar Srivastava are Directors of the Company. Mr. Sasanka Shakhra Mishra resigned as Director of the company and Mr. Naresh Jain resigned as Managing Director of the Company w.e.f. 5th June 2009.



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In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Mr. Naresh Saboo - Director retires by rotation and being eligible offer himself for re-appointment. Pursuant to section and with effect from 1st April, 2009 he was appointed as the Managing Director of the Company.

Mr. Puneet Kumar Srivastava appointed as an Independent Director on 5th June 2009. Pursuant to section 257 of the companies Act, 1956 the Company in receipt of a notice from a share holder proposing his candidature.

DIVIDEND

The Board has decided to preserve the fiscal strength of the company , thus the board has decided against dividend for the current year.

RIGHT ISSUE

The company in its EGM held on 10th Jan 2009 appointed M/S Ashika Capital Limited as Merchant Banker to prepare and file the prospectus with SEBI for the coming Right Issue which is presently pending.

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.

DE-LISTING OF SHARES

The company has received letter dated 20th November 2008 from Ahmedabad Stock Exchange and the shares have been de-listed from date 24th December 2008.

Even after this delisting the shares will 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, 2009, 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 2009 on a 'going concern' basis.

On behalf of the Board of Directors.

Naresh Saboo

Naresh Jain

Managing Director

Director

Place : Mumbai
Date : 5th June, 2009

CORPORATE GOVERNANCE REPORT

- | | |
|---|--|
| 1 | <p>Company philosophy on Code of Governance:</p> <p>Company philosophy on Code of Governance:</p> <p>The Company's philosophy on Corporate Governance is based on preserving core values, ethical business conduct, and maximization of shareholders value and welfare of stakeholders.</p> <p>For, Diamant Investment & Finance Limited, corporate governance is a continuous process that seeks to provide an enabling environment to achieve the objectives of maximizing values coupled with accountability and integrity.</p> <p>A code of conduct for all Board members and senior management of the Company has been laid and adopted by the Board. The code of conduct is available on the website of the Company www.diamantinvestfinltd.com All Board members and senior management personnel have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director to this effect is enclosed at the end of this report.</p> |
| 2 | <p>Board of Directors:</p> <p>Composition of the Board</p> <p>The Company's Board consists of 4 members, out of which 2 are Independent Directors namely Mr. Ramesh Mishra and Mr. Sasanka Mishra. Naresh Saboo, Non-executive director is the Chairman of the Board. And Mr. Naresh Jain is the Managing Director of the company</p> <p>Director's Brief</p> <ol style="list-style-type: none"> 1. Mr. Naresh Saboo - Promoter Chairman of the company appointed on 16th June, 2007 as additional director of the company. At the annual General Meeting held on 27th July, 2007 there were appointed as director of the company under Section 257 of the Companies Act, 1956. Mr. Naresh Saboo controls the management of the company through Saboo Capital & Securities Pvt. Ltd. and holds 329,698 equity of the company. He is a qualified Chartered Accountant and has vast knowledge in the securities market. 2. Mr. Naresh Jain - who was Managing director till 5th June, 2009 & presently director holds 3.6% equity of the company. 3. Mr. Ramesh Chandra Mishra - Independent Director appointed in January 2006 and holds 1 % equity shares through his company Sumita Management Constancy Pvt. Ltd. He is a senior member of the institute of Company secretaries of India and had adequate experience in both accounts and corporate laws. 4. Mr. Sasanka Mishra Independent Director appointed on 16th June, 2007. He is qualified B.Sc (Chemistry), B.E. (Civil). He is a retired chief Engineer of R & B, Government of Orissa. He resigned on 5th June 2009 <p>Number of Board Meetings</p> <p>The Board of Directors met 8 times during the year on 30th April 08, 25th June 08, 27th Oct 08, 13th Dec 08, 31st Dec 08, 31st Jan 09, 24th March 08, 28th March 08.</p> |
| 3 | <p>None of the Directors are members of more than ten Board level committees nor are they Chairman of more than five committees in which they are members.</p> <p>The following table gives the details of designation, category of Directors, number of Board Meetings attended, attendance at last Annual General Meeting (AGM) and the number of other Directorships and Committee Memberships as at March 31, 2009:</p> |



DIAMANT INVESTMENT & FINANCE LIMITED

| Name of the Director | Category of Directorship | No. of Board Meetings during the year 2008-09 | | Last A.G.M | No. of other Directorship & Committee Membership / Chairmanship held# | | |
|----------------------|---|---|----------|------------|--|----------------------------|------------------------------|
| | | Held | Attended | | Other Directorship | Other Committee Membership | Other Committee Chairmanship |
| Mr. Naresh Saboo | Chairman | 7 | 7 | Yes | 1) MD in Saboo Capital & Securities Pvt. Ltd. 2) Diamant Securities & Private Limited 3) Diamant Infrastructure Developers Private Limited 4) Diamant Realty Private Limited | Nil | Nil |
| Mr. Naresh Jain | Executive Director & Managing Director | 7 | 7 | Yes | 1) Diamant Securities Private Limited 2) Diamant Infrastructure Developers Private Limited 3) Diamant Realty Private Limited 4) Pranjali (India) Private Limited. 5) Pranjali Infrastructure Private Limited. 6) Pranjali Services Private Limited. | Nil | Nil |
| Mr Ramesh Mishra | Non Executive Director & Independent Director | 7 | 7 | Yes | 1) Polypro Fibrils India Limited 2) City Hospitalities India Limited 3) Clarus Finance & Securities Limited. 4) India Home Loans Limited 5) M/s. Ira Aarna Online Paintings Private Limited. | Nil | Nil |