



DIAMANT INVESTMENT & FINANCE LTD.



29 TH ANNUAL REPORT 2008 - 09



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.

INDEX

<u>DISCRIPTION</u>	<u>PAGE NO.</u>
1. Notice	1 - 4
2. Director's Report	5 - 6
3. Corporate Governance	7 - 15
4. Compliance Certificate	16 - 18
5. Auditor's Report	19 - 21
6. Balance Sheet	22
7. Profit and Loss Account	23
8. Schedule	24 - 28
9. Notes to Accounts	29 - 35
10. Cash Flow Statement.....	36
11. Abstract	37
12. Proxy / Attendance Slip	38

29TH ANNUAL REPORT 2008-2009

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

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/FITTC/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 Shareregistry (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



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

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	Year ended 31.3.2008
	(Rs. in LACS)	
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.



DIAMANT INVESTMENT & FINANCE LIMITED

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 **Company philosophy on Code of Governance:**

Company philosophy on Code of Governance:

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.

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.

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.diamantininvestfinltd.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.

2 **Board of Directors:**

Composition of the Board

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

Director's Brief

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

Number of Board Meetings

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.

3 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.

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:



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

29TH ANNUAL REPORT 2008-2009

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
					6) M/s. Nidhisha Securities Services Private Limited. 7) M/s. Ira Aarna Realty Private Limited 8) M/s. Sumita Management Constancy Private Limited 9) M/s. Red Twigs Consultancy Private Limited 10) M/s. Skypak Financial Securities Private Limited 11) M/s. Procentris India Private Limited		
Mr Sasanka Shekhar Mishra	Non Executive Director & Independent Director	7	7	No	Nil	Nil	Nil

4 COMMITTEES OF THE BOARD
 The Company has three committees viz: 1. Audit Committee, 2. Remuneration Committee and 3. Shareholders/Investors Grievance Committee. The decisions relating to the constitution of committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors. Composition of the said committees, number of meetings held and attendance during the financial year is as follows:

1) Audit Committee

The Audit Committee comprises of 3 members under the Chairmanship of an Independent Director The Current constitution of the Committee is of two independent director that is Mr. Ramesh Mishra (Chairman of the committee) and Mr. Sasanka Mishra and one managing director that is Mr. Naresh Jain, are the members of the committee. The scope of this committee, is to oversee the Company's financial reporting process and ensure correct, adequate and credible disclosure of financial information; recommending appointment and removal of external auditors and fixing their fees, reviewing with management the annual financial statements with special emphasis on accounting standards and other legal requirements concerning financial statements, reviewing the adequacy of the audit and compliance functioning including their policies, procedures, techniques and other regulatory requirements and reviewing the adequacy of internal control system and significant audit findings.

The Audit Committee met four times during the year 25th June 08, 30th July 08, 27th Oct 08, 31st Jan 09.

2. Remuneration Committee :

The Remuneration Committee comprised of two independent Directors that is Mr. Ramesh Mishra (Chairman of the committee) and Mr. Sasanka Mishra and one managing director that is Mr. Naresh Jain. There were no remuneration committee meeting held during the year under review as no further or new remuneration was paid to any Director.



DIAMANT INVESTMENT & FINANCE LIMITED

3. Shareholder/Investor Grievances Committee

The Shareholder/Investor Grievances committee comprises of two independent director Mr. Ramesh Mishra (Chairman) and Mr. Sasanka Mishra and one promoter director of the company Mr. Naresh Saboo.

The Shareholder/Investor Grievances committee looks into redressing investor's grievances like non-receipt of shares, non-receipt of dividends, non-receipt of annual report, etc.

The power of approving share transfer has been delegated to share transfer agent of the company.

The committee held their meetings on 25th June 08, 30th June 08, 27th October 08, 31st Jan 09.

Name and designation of the compliance officer: Vandita Jogi

7. General Body Meetings:

Year	Date	Venue
2006-2007	27 th July, 2007	9, Beau Moon Chambers, 27/33 N.M. Road, Fort, Mumbai-400 023
2007-2008	27 th September, 2008	9, Beau Moon Chambers, 27/33 N.M. Road, Fort, Mumbai-400 023
2008-2009	4 th July, 2009	9, Beau Moon Chambers, 27/33 N.M. Road, Fort, Mumbai-400 023

8. No special resolutions were put through postal ballot last year and nor is any resolution proposed for this year through postal ballot

9. Disclosures:

None of the transactions with related parties were in conflict with the interest of the Company. Disclosures of transactions with related parties are set out in Schedule 15 to Annual Accounts, forming part of the Annual Report.

10. Means of Communication:

Diamant Investment And Finance Limited has its own web-site www.diamantinvestfinltd.com.com and all important information relating to the Company, including results, press releases, etc. are posted on web-site. The results of the Company are published in leading newspapers like Financial Express and Mumbai Lakshadeep..

11. 1. Management Discussion and Analysis of financial condition and results of operations as reflected in financial statements

The Directors confirm that there have been no events or circumstances since the date of the last financial statements, which materially and adversely affect or are likely to affect the profitability of our company or the value of its assets or its ability to pay its liabilities within the next twelve months.

Overview

DIAMANT INVESTMENT AND FINANCE LIMITED (DIFL) is a public limited company. Engaged into Road Construction Business and diversifying into leasing of commercial space & service apartments. Our company was incorporated on 1980, as Diamant Carban & Graphate products Limited. The name of our company was subsequently changed to Diamant Investment & Finance Ltd. w.e.f. 01.02.2005. The promoters of our company are M/s. Saboo Capital & Securities Pvt. Ltd. w.e.f. July, 2005.

After takeover the company started Investment & Trading In Stocks for the year 2005-06, than subsequently slowly company diverted into road construction business for doing projects for JMC India Ltd., Sadbhav Eng. Ltd. in 2007 after having experience the company started long term contract with Ashoka Buildcon Ltd. from BACK TO BACK basis and also started to cut trees for widening the roads. The company at present is engaged in road construction of 45 km. in state of Chhattisgarh And Tree Cutting in 80 km is going on in Chhattisgarh state. The company is also engaged in construction of roads of 20 km in the State of Gujarat with IRB infrastructure. The company is negotiating with many companies for their on going projects.

There are several factors which may affect our results of operations, financial condition and cash flows. These factors may include:

- ✓ Economic conditions, business cycles
- ✓ Ability to control cost and attain high productivity
- ✓ Pricing Pressure due to competition / competitive bidding.
- ✓ Ability to hire, train and retain people
- ✓ Our relationship with clients - companies, banks, institutions, individuals, etc.
- ✓ Capital expansion and capital expenditure

We have briefly elaborated the above factors below:

Economic conditions, business cycles,

The business of any company apart from internal factors will also depend on the macro economic conditions. The demand conditions in the market in the areas in which we operate are affected by various factors outside our control, including prevailing local economic, income and demographic conditions, interest rates available to purchasers requiring financing, the availability of comparable properties completed or under development, changes in governmental policies. As a consequence, our results of operations are significantly affected by factors influencing the Indian economy in general. Any slowdown or perceived slowdown in the Indian economy, government spending in specific sectors of the Indian economy, could adversely impact our business and financial performance. For example, our management believes that other infrastructure projects contribute substantial part of our client list and any events affecting these sectors will have direct impact on demand for our products. If growth is sustained in these sectors, our management believes that such growth may bring in additional demand for our business module.

Ability to control cost and attain high productivity

The prices of our services are determined principally by market forces of supply and demand. The market conditions and demand for our services at time of signing the contract will determine the price of our services. Diesel and man power (Skilled and unskilled) form major portion of our cost our ability to executing the contracts at timely basis, maintaining the cost competitiveness will determine the profitability of our Company.

Pricing Pressure due to competition/competitive bidding

The prices of our services, real estate are determined principally by market forces of supply and demand. We feel that over a period of time there might be increase in competition and it might effect the profitability of our Company. Our Company has been concentrating on receiving the orders from the Government Registered Companies. These Companies generally follow the system of tenders, wherein the contracts will be granted to lowest bidder. This may affect the profit margins of our Company in percentage terms.

Capital Expansion and Capital Expenditures

Capital Expansion involves huge capital expenditure and determines future earnings of our company. The timing of our expansion programe, projects we have taken up, general economic conditions-all these factors will determine future growth of our Company.

Our relationship with clients-companies, banks, financial institutions, individuals etc. The operations and revenues of our company for any period will depend on orders in hand. Our ability to get new and also repeated orders will determine the growth of our company. As in any business our ability to maintain good relations with market intermediaries like banks and financial institutions will determine our growth.

Ability to hire, train and retain people

Human Resources is important asset of any business. Skilled and technical staff is required by us for our project. We take up various projects based on availability of right mix of man power. Thus our growth is likely to be affected by our ability to attract and retain skill and technical manpower. Our Ability to hire, train and retain people will determine the ability of our company to achieve desired objectives.

These factors and a number of future developments may have impact on our results of operations, financial condition and cash flow in future periods.



Industry Structure and Development:

The Indian economy has been growing at a blistering pace in the last few years. The Real Estate industry is ranked as one of the fastest growing sectors. This sector has been growing at an exponential rate -a growth made possible due to favourable demographics, vibrant services sectors, rising purchasing power, changes in shopping habits, growing number of retail malls, availability of finance and reforms initiated by the Government viz., relaxation of FDI norms and tax concessional facilities. This has stimulated the demand for houses, modern offices, warehouses, hotels and shopping centres.

Financial and Operating Performance:

The total income of the Company for the year 2008-09 was Rs. 122.24 lakhs compared to Rs.193.88 lakhs during the previous year.. The operating profit (PBDIT) for the Company also reduced from Rs103.20 lakhs during the year as against Rs118.06 lakhs for the previous year. The Company expects to earn increased revenues in the near future.

Risk, Internal Control System and Adequacy:

The Company has adequate internal control procedure commensurate with its size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements. The Company continuously upgrades these systems in line with best accounting practices.

Outlook, Opportunities and Threats:

Outlook

The outlook for Real Estate industry is positive with continued thrust of Government on the sector.

Details of non-compliance by the Company

No instance of non-compliance by the Company on any matter related to capital markets during the last three years has been reported and therefore no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority.

Code for prevention of insider trading practices

The Company has instituted a code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of Diamant Investment And Finance Limited, and cautioning them of the consequences of violations.

CEO/CFO certification

The Managing Directors certification of the financial statements and the cash flow statement for the year is enclosed at the end of the report.

SHAREHOLDERS

Reappointment/Appointment of Directors

According to the Articles of Association of the Company, one-third of its Directors retire every year, and if eligible, offer themselves for re-election at the Annual General Meeting.

Mr Naresh Saboo would retire this year at the forthcoming Annual General Meeting.

Risk Management

The Company has established risk assessment and minimization procedures, which are reviewed by the Board periodically.

12.

General Shareholders' Information:

a) Annual General Meeting

Date and time : 11th July, 2009 11:30 A.M
Venue : 9, Beau Moon Chambers,
27/33, Nagindas Master Road,
Fort, Mumbai-400 023.

b) **Financial Calendar** (tentative) : 1st April to 31st March

For the financial year 2009-2010 (1st April, 2009 to 31st March, 2010)

First Quarter : End of July, 2009.

Second Quarter : End of October, 2009.

Third Quarter : End of January, 2010.

Fourth Quarter/Annual : End of June, 2010.

Dates of Book Closure : 29th June 2009 to 4th July 2009

Investor Grievances

The Company has constituted a Shareholders/Investors Grievances Committee for redressing shareholders' complaints, as mentioned earlier in this report. Grievance redressal division/compliance officer's e-mail ID as per clause 47(f) of Listing Agreement, exclusively for the purpose of registering complaints by investors:

Email ID:- daimant123@gmail.com

Compliance Officer :

Miss. Vandita Jogi is appointed as compliance Officer of the Company.

Compliance

Certificate from the Mr. Satyajit Mishra, Practicing Company Secretary confirming the compliance with the conditions of corporate governance, as stipulated under Clause 49 of Listing Agreement, is annexed to the Directors Report forming part of the Annual Report.

Promoter of the Company

M/S Saboo Capital and Securities Pvt Ltd holds 353,698 equity shares of Rs 10/- each

d) Stock Exchange where listed:

1) The Stock Exchange, Mumbai Scrip Code : 508860.

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai 400 023

e) ISIN No.

: INE206I01018

f) Share Transfer Agent:

M/S Purva Shareregistry(India) Pvt Limited

9, Shiv Shakti Industrial Estate, Sitaram Mills Compound ,

J.R. Boricha Marg, Opp Kasturba Hospital,

Lower Parel(East) Mumbai-011

E-Mail: busicomp@vsnl.com

The price of the Company's Equity Shares-High, Low during each month in the last financial year:

Date	Open (Rs)	High (Rs)	Low (Rs)	Close(Rs)	No of Shares
September 2008	113.65	113.65	102.65	102.65	150
October 2008	97.55	107.50	83.25	83.25	100700
November 2008	83.25	83.25	71.40	71.40	29900
December 2008	67.85	67.85	52.60	52.60	5750
January 2009	50.00	50.00	37.65	43.05	67700
February 2009	45.20	49.00	41.85	44.00	117750
March 2009	43.50	55.10	42.05	55.10	141657

g) Distribution of Shareholding as on 31st March, 2009

CATEGORY	NO.OF SHARES	% OF SHARE
A. Promoter's Holding	HELD	HOLDING
1. Promoters		
- Indian Promoters	353,698	29.50
- Foreign Promoters		
2. Persons acting in Concert	Nil	Nil
Sub Total	353,698	29.50
B. Non-Promoters Holding		35.20



DIAMANT INVESTMENT & FINANCE LIMITED

CATEGORY	NO.OF SHARES HELD	% OF SHARE HOLDING
3. Institutional Investor		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions/ Non- Government Institutions)		
c.FIIs	Nil	Nil
Sub Total	Nil	Nil
4. Others		
a. Private Corporate Bodies	1,36,200	11.36
b. Indian Public	7,08,952	59.13
c. NRIs / OCBs	100	0.01
d. Any Other (Clearing Member & Trust)	00	0
Sub Total	8,45,252	70.5
GRAND TOTAL	1198950	100.00

Shareholding pattern as on 31st March, 2009

Shares From	To	No. of Shareholders	% to Total	Total Shares Amount Rs.	% to Total
1	5,000	1906	88.57	2521270	21.03
5,001	10,000	129	5.99	1130500	9.43
10,001	20,000	65	3.02	1156000	9.64
20,001	30,000	17	0.79	421000	3.51
30,001	40,000	4	0.19	160000	1.33
40,001	50,000	3	0.14	142500	1.19
50,001	1,00,000	18	0.84	1176000	9.81
1,00,001	ANDABOVE	10	0.46	5282230	44.06
	Total	2152	100	11989500	100

h) Your Company has not issued any GDRs/ ADRs/ Share Warrants or any convertible instruments.

i) Office Location:

Company's Registered Office Address:

Diamant Investment & Finance Limited
9, Beau Moon Chambers, 27/33 N.M Road, Fort,
Mumbai-400 023

Phone: 022-6615 6606 Fax: 66156607

Web:- www.diamantininvestfinltd.com

Investor's Service Cell:

Diamant Investment & Finance Limited

9, Beau Moon Chambers, 27/33 N.M Road, Fort,
Mumbai-400 023 Phone: 022-6615 6606

Phone: 022-6615 6606 Fax: 66156607

E-mail: diamant123@gmail.com

Dematerialisation of Shares and Liquidity

70.93% of the Company's shares are in Dematerialized form rest of the shares are held in physical form as on 31st March, 2009. The Equity Shares of the Company are frequently traded at Bombay Stock Exchange (BSE).

CORPORATE GOVARANCE

To

The Members of **DIAMANT INVESTMENT & FINANCE LTD.**

We have examined the compliance of conditions of Corporate Governance by **DIAMANT INVESTMENT & FINANCE LTD.** for the year ended on 31st March, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

MUMBAI : 31st May 2009

SATYAJIT MISHRA

Membership No. ACS



COMPLIANCE CERTIFICATE

To

The Members of

Diamant Investment And Finance Limited

I have examined the registers, records, books and papers of M/s. Diamant Investment And Finance Limited (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2009. In my opinion and to best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and 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 the rules made thereunder.
3. The Company, being a Public Limited Company, comments are not required.
4. The Board of Directors duly met 6 times on 25.06.2008, 30.07.2008, 27.10.2008, 13.12.2008, 31.01.2009, 28.03.2009 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from 22.09.2008 to 26.09.2008 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2008 was held on 27th September, 2008 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. An extra ordinary meeting was held on 10th January, 2009 during the financial year after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
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 into any contracts falling within the purview of section 297 of the Act.
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 duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. The Company has:
 - I. delivered all the certificates on allotment of securities and on lodgement thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
 - II. The Company has not deposited any amount in a separate Bank Accounts as no dividend was declared during the financial year.
 - III. The Company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - IV. Not transferred the amounts in unpaid dividend account as the same was not applicable.
 - V. duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and the appointment of directors, additional directors, alternate directors and directors to fill casual vacancies have been duly made.

15. The Company has not appointed any Managing Director/Whole-time Director/Manager 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.
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 thereunder.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
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. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others during the financial year ending 31st March, 2009 is/are within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual/extraordinary general meeting.
25. The company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
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 and complied with the provisions of the Act.
28. The company has altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny and complied with the provisions to the Act.
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 altered its Article of Association after obtaining approval of members in the extra general body meeting held on 10th January, 2009 and the amendments to the articles of association have been duly registered with the Registrar of Companies.
31. There was 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.

Satyajit Mishra - FCS

Company Secretary in Practise

C.P. No. 4997

Place : Mumbai

Date : 05.06.2009



Annexure 'A'

Registers as maintained by the Company

1. Register of Members with Index u/s. 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 the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2009.

1. Form 20B for Annual Return made up to 30.09.2008 was filed on 24.12.2008.
2. Form 23AC/23ACA for Balance Sheet and Profit/loss for the year ended on 31st March 2008 was filed on 28.10.2008.
3. Form No. 66 for compliance Certificate for the year ended on 31st March 2008 was filed on 25.10.2008.
4. Form No.32 filed on 23.12.2008 for resignation of Jagdish Bhatt.
5. Form No.32 filed on 03.01.2009 for resignation of Mallikarjun Rao.
6. Form No.25C filed on 05.07.2008 for appointment of Naresh Jain as Managing Director.
7. Form No.23 filed on 17.01.2009 for reorganization of share capital.
8. Form No.23 filed on 10.03.2009 u/s. 293(1)(d).
9. Form No.5 filed on 17.01.2009 for reorganization of capital.
10. Form No.8 filed on 10.07.2008 for creation/modification of charge.
11. Form No.8 filed on 14.03.2009 for creation/modification of charge.
12. Form No.8 filed on 23.03.2009 for creation/modification of charge.

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, 2009 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, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statements 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 except for Accounting Standard 15 "Accounting for Employee Benefits" in respect of leave encashment and Gratuity liability not provided as explained in note 9 of Schedule 19;
 - 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, 2009 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, 2009;
 - ii. in so far as it relates to the Profit and Loss Account, of the Profit 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

CA Tushar Parekh
Proprietor

Place: Mumbai
Date: 5th June 2008

Membership No: 103230



Annexure to the Auditors' Report

(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) As explained to us, the company is in the process of maintaining 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 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 as compared to book records.
 - c) In our opinion and according to the information and explanations given to us, 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 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 are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of inventories and 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 two companies and the Managing Director covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to Rs. 9,29,16,880/- and the year-end balance in respect of these loans was Rs. 8,58,86,880/-.
 - 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 inventory, fixed assets and with regard for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. To the best of our knowledge and belief and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
According to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956, aggregating during the year to Rs. 5,00,000/- (Rupees five lacs) or more in respect of any party.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and section 58AA or other relevant provisions of the of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to acceptance of deposits from the public.
7. There is no internal audit system prevalent in the Company.
8. According to information and explanations give to us, Central Government has not prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of business activities of the Company.

29TH ANNUAL REPORT 2008-2009

9. In respect of statutory dues:

- a) According to the records of the Company, and according to the information and explanations given to us, the company is generally regular in depositing undisputed statutory dues including Investor Education & Protection Fund, Income-Tax, Sales-tax, Service tax and other material statutory dues applicable to the company with the appropriate authorities during the year.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2009 for a period of more than six months from the date of becoming payable.
- c) According to the records of the Company, and as per information and explanations given to us there are no disputed statutory dues outstanding during the year, except the following:

Nature of Statute	Nature of Dues	Amount in Rupees	Period to which it relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of payment towards VRS to employees	20,96,632/-	Assessment year 2003-2004	Asstt. Commissioner of Income Tax, Mehsana
Central Sales Tax Act, 1956	Reassessment	1,64,673/-	Assessment Year 2001-02	Dy. Commissioner of Sales Tax, Audit Division, Gandhi Nagar, Gujarat

10. The Company does not have any accumulated losses as at the end of the financial year. The company has not incurred cash losses during the current and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The company has not obtained any borrowings by issue of debentures.
12. In our opinion, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
14. As per information and explanation given to us and books and records produced before us, the company is dealing and trading in shares and securities and proper records have been maintained of transactions and contracts and timely entries have been made therein. Also, shares and securities have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, and on the basis of examination of the books of account, we are of the opinion that the term loans obtained by the company have been applied for the purpose for which such loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis during the year have not been used for long-term investments.
18. According to the information and explanations given to us, during the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year covered by our audit report.
21. To the best of our knowledge and according to the information and explanations given to us by the management, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Tushar Parekh and Associates
Chartered Accountants

CA Tushar Parekh
Proprietor
Membership No: 103230

Place: Mumbai
Date: 5th June 2008



Balance sheet as at 31st March, 2009

	Schedule	2009 Rs.	2008 Rs.
Sources of Funds:			
Share Holder's Funds:			
Share Capital	1	11,989,500	11,989,500
Reserves and Surplus	2	29,001,247	28,374,639
Loan Funds:			
Secured Loans	3	35,214,939	25,545,357
Unsecured Loans	4	91,799,703	98,812,429
Deferred Tax	-	1,885,893	745,863
Total		180,305,894	165,467,787
Application of Funds:			
Fixed Assets :			
Gross Block	5	7,090,789	2,394,515
Less : Depreciation-to-date		7,118,144	2,394,515
Net Block		67,704,201	36,253,111
Investments	6	625	625
Current Assets , Loans and Advances :			
Inventories	7	16,067,075	102,993,402
Sundry Debtors	8	60,383,246	3,746,050
Cash and Bank Balance	9	3,974,118	1,769,416
Loans and Advances	10	81,344,569	77,157,398
Computation of Total Income	(I)	161,769,009	185,666,266
Less : Current Liabilities and Provisions:			
Current Liabilities	11	48,693,941	56,229,065
Provisions	12	474,000	223,150
	(II)	49,167,941	56,452,215
Net Current Assets	(I-II)	112,601,068	129,214,051
Total		180,305,894	165,467,787

Significant Accounting Policies & Notes to Accounts 19

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet
As per our report of even date

For Tushar Parekh and Associates
Chartered Accountants

CA Tushar Parekh
Proprietor
Membership No: 103230

Place : Mumbai
Date : 5th June, 2009

For and on behalf of the Board of Directors of
Diamant Investment and Finance Limited

Naresh Jain
(Director)

Naresh Saboo
(Director)

Profit and Loss Account for the year ended 31st March, 2009

	Schedule	Current Year	Previous Year
Income:			
Income from operations	13	1,308,857,106	1,899,818,583
Other Income	14	538,143	3,280,604
Increase / (Decrease) in Stock	15	(86,926,327)	35,759,026
		<u>1,222,468,923</u>	<u>1,938,858,214</u>
Expenditure:			
Purchases	-	1,158,094,443	1,915,318,507
Direct Expenses	16	43,389,437	7,019,892
Administrative Expenses	17	10,665,016	4,713,777
		<u>1,212,148,896</u>	<u>1,927,052,176</u>
Profit Before Interest, Depreciation and Tax		10,320,026	11,806,037
Financial Charges	18	3,865,073	860,786
Depreciation	5	4,723,629	1,359,425
Impairment of assets	5	-	81,400
		<u>8,588,702</u>	<u>2,301,613</u>
Profit before Taxation		1,731,324	9,504,425
Add/(Less) : Excess/(Short) Provision for Tax		286,164	177,295
Add/(Less) : Prior Period Items		64,150	-
		<u>2,081,638</u>	<u>9,681,720</u>
Less : Provision for Taxation:			
Current Tax		185,000	105,000
Deferred Tax		1,140,030	684,982
Fringe Benefit Tax		130,000	26,000
		<u>626,608</u>	<u>8,865,738</u>
Net Profit after Tax		626,608	8,865,738
Credit Balance Brought Forward from Previous Year		26,453,894	17,588,156
Balance carried to Balance Sheet		<u>27,080,502</u>	<u>26,453,894</u>
Earning per Share		0.52	7.39

Significant Accounting Policies & Notes to Accounts 19

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account As per our report of even date

**For Tushar Parekh and Associates
Chartered Accountants**

CA Tushar Parekh
Proprietor
Membership No: 103230

Place : Mumbai
Date : 5th June, 2009

**For and on behalf of the Board of Directors of
Diamant Investment and Finance Limited**

Naresh Jain
(Director)

Naresh Saboo
(Director)



Schedules forming part of the Balance Sheet and Profit and Loss Account

	Current Year	Previous Year
Schedule - 1		
Share Capital		
Authorised :		
50,00,000 Equity Shares of Rs. 10/- each fully paid up .	50,000,000	35,000,000
15,00,000 15% Cumulative Redeemable Preference Shares of Rs. 10/ each fully paid up	-	15,000,000
	<u>50,000,000</u>	<u>50,000,000</u>
Issued, Subscribed and Paid up :		
12,00,000 Equity Shares of Rs. 10/- each fully paid up	12,000,000	12,000,000
Less: Shares forfeited	10,500	10,500
11,98,950 Equity Shares of Rs. 10/- each fully paid up	<u>11,989,500</u>	<u>11,989,500</u>
Schedule - 2		
Reserves and Surplus		
Capital Reserve		
Balance as per last Balance Sheet	5,250	-
Add: Transfer from Share forfeiture	-	5,250
	<u>5,250</u>	<u>5,250</u>
General Reserve:		
Balance as per last Balance Sheet	1,915,495	1,915,495
Add: Transfer from Profit and Loss Account	-	-
	<u>1,915,495</u>	<u>1,915,495</u>
Balance in Profit and Loss Account	<u>27,080,502</u>	<u>26,453,894</u>
	<u>29,001,247</u>	<u>28,374,639</u>
Schedule - 3		
Secured Loans		
(Refer Note No. 3 of Schedule-19)		
a) From Banks	10,414,612	4,836,543
b) From Financial Institutions	35,214,939	20,708,814
	<u>45,629,551</u>	<u>25,545,357</u>
Schedule - 4		
Unsecured Loans		
a) From Share Holders	51,036,576	42,841,576
b) From Directors	2,480,304	1,978,930
c) Intercompany Deposits	38,282,823	53,991,923
	<u>91,799,703</u>	<u>98,812,429</u>

Schedule - 5
Fixed Assets

Description of Assets	Gross Block				Depreciation			Net Block		
	Balance as at 1.4.2008	Additions	(Deductions)	Block of Assets at 31.3.2009	Balance as at 1.4.2008	Provided for the year	Impairment	Balance as at 31.3.2009	ASAT 31.3.2009	ASAT 31.3.2008
Tangible Assets										
Computers	577,255	181,458	-	758,713	401,767	110,519	-	512,286	246,427	175,488
Telephone & Fax	163,839	-	-	163,839	163,839	-	-	163,839	-	-
Furniture & Fixtures	842,320	60,499	-	902,819	614,734	63,681	-	678,415	224,404	227,586
Vehicles	676,708	1,010,901	-	1,687,609	23,361	78,287	-	101,648	1,585,961	653,347
Mobile	9,600	92,965	-	102,565	3,884	74,346	-	78,230	24,335	5,716
Home Saver	19,500	-	-	19,500	372	926	-	1,298	18,202	19,128
Level Machines	12,700	105,774	-	118,474	51	1,066	-	1,117	117,357	12,649
Tipper	24,671,374	16,892,605	-	41,563,979	647,625	2,955,925	-	3,603,550	37,960,429	24,023,749
Excavator	9,514,679	-	-	9,514,679	528,624	1,076,110	-	1,604,734	7,909,945	8,986,055
Roller Machine	2,133,683	2,073,005	-	4,206,688	7,912	268,941	-	276,853	3,929,835	2,125,771
Laying Machine	-	818,259	-	818,259	-	6,339	-	6,339	811,920	-
Motor Grader	-	6,790,942	-	6,790,942	-	27,355	-	27,355	6,763,587	-
Loader	-	2,932,410	-	2,932,410	-	3,635	-	3,635	2,928,775	-
Diesel Tanker	-	1,326,368	-	1,326,368	-	16,852	-	16,852	1,309,516	-
Cutting Machine	-	57,814	-	57,814	-	1,309	-	1,309	56,505	-
Paver Machine	-	3,831,719	-	3,831,719	-	29,683	-	29,683	3,802,036	-
Intangible Assets										
Softwares	25,968	-	-	25,968	2,346	8,655	-	11,001	14,967	23,622
Total	38,647,628	36,174,719	-	74,822,345	2,394,515	4,723,629	-	7,118,144	67,704,201	36,253,111
Previous Year	(1,394,313)	(37,253,313)	-	(38,647,626)	(953,690)	(1,359,425)	(81,400)	(2,394,515)	(36,253,111)	(440,623)

Schedule - 6
Investments

Shares of Shamrao Vithal Co-op Bank (Unquoted)	625	625
(25 shares of Rs. 25/- each fully paid up)	<u>625</u>	<u>625</u>

Schedule - 7
Inventories

(As taken, valued and certified by management)

Closing Stock of Wood	86,600	-
(At lower of cost or market value)		
Uncertified Contract Revenues	4,400,475	-
(Refer Note no. 11 of Schedule-19)		
Closing Stock of Shares	-	91,413,402
(M.V. Rs. NIL, P.Y. Rs. 6,00,99,261/-)		
Property at Pune (At Cost)	11,580,000	11,580,000
	<u>16,067,075</u>	<u>102,993,402</u>

Schedule - 8
Sundry Debtors

(Considered good, unless otherwise stated)

Debts outstanding for a period exceeding six months	-	-
Other Debts	60,383,246	3,746,050
	<u>60,383,246</u>	<u>3,746,050</u>



DIAMANT INVESTMENT & FINANCE LIMITED

Schedule - 9

Cash and Bank Balance

a) Cash and its equivalents	882,090	222,357
b) Balance with Scheduled Banks		
- In Current Accounts	2,790,143	1,254,103
- In Fixed Deposit Account	62,808	52,678
- in Unpaid Dividend Account	239,078	240,278
	3,974,118	1,769,416

Schedule - 10

Loans and Advances

(Unsecured, Considered Good)

a) Advance recoverable in cash or in kind or for value to be received	1,487,073	463,962
b) Deposits	1,992,029	344,013
c) Income Tax paid	2,723,737	1,406,523
d) Other Advances	75,141,730	74,942,900
(Refer Note No. 19 of Schedule-19)	81,344,569	77,157,398

Schedule - 11

Current Liabilities

a) Statutory Dues Payable	1,233,297	228,400
b) Sundry Creditors	24,784,441	55,760,387
c) Unclaimed Dividend *	239,078	240,278
(* Not yet become due for transfer to Investor and Protection Fund)		
d) Advances from Principal Contractors	22,437,125	-
	48,693,941	56,229,065

Schedule - 12

Provisions

Provision for Taxation

Balance as per last Balance Sheet	133,000	28,000
Add: Provided during the year	185,000	105,000
	318,000	133,000

Provision for FBT:

Balance as per last Balance Sheet	26,000	3,131
Add: Provided during the year	130,000	26,000
	156,000	29,131
Less: Adjusted during the year	-	3,131
	156,000	26,000

Provision for Loss - Equity Stock Futures	-	190,850
Less: Mark-to-Market Margin -Equity Stock Futures	-	190,850
Excess of Provision for Loss - Equity Stock Futures over Mark to Market - Equity Stock Futures	-	-
Provision for Gratuity	-	64,150
	474,000	223,150

29TH ANNUAL REPORT 2008-2009

Schedule - 13

Income from Operations

Sale of Shares	1,236,398,598	1,891,542,932
Contract Receipts	75,126,581	13,215,700
Sale of Trees	5,642,268	-
Loss in Derivative Transactions	(8,310,341)	(4,940,049)
	<u>1,308,857,106</u>	<u>1,899,818,583</u>

Schedule - 14

Other Income

Brokerage Refund	-	2,934,420
Dividend Received	430,010	237,941
Claims Received	15,282	-
Discount Received	-	81,954
Balances written back	39,582	-
Interest on Income Tax Refund	34,339	20,161
Interest on Bank Deposits (TDS Rs. Nil, P.Y. Nil)	5,130	2,678
Other Income	13,800	3,450
	<u>538,143</u>	<u>3,280,604</u>

Schedule - 15

Increase / (Decrease) in Stock

Stock as at 31st March			
- Uncertified Contract Revenues	4,400,475		-
- Stock of shares, wood and property	11,666,600	16,067,075	102,993,402
Less : Stock as at 1st April			
- Uncertified Contract Revenues	-		-
- Stock of shares, wood and property	102,993,402	102,993,402	67,234,376
		<u>(86,926,327)</u>	<u>35,759,026</u>

Schedule - 16

Direct Expenses

Sub Contract Charges		14,557,824	400,000
Labour Charges		664,619	152,750
Fuel Expenses		17,567,812	5,914,003
Hire Charges		3,234,860	5,700
Transport Charges		347,229	30,413
Insurance Expenses		151,294	-
Meserment Expenses		65,560	-
Repairs and Maintenance - Plant & Machinery	1,126,851	4,080	
Repairs and Maintenance - Vehicles		5,479,534	512,946
Water Expenses		193,855	-
		<u>43,389,437</u>	<u>7,019,892</u>

Schedule - 17

Administrative Expenses

Payments to and Provisions for Employees			
Salaries & Bonus		7,036,953	1,344,874
Provision for Gratuity		-	64,150
PF Admin Charges		42	-
Staff Welfare Expenses		148,686	54,852
		<u>7,185,681</u>	<u>1,463,876</u>



DIAMANT INVESTMENT & FINANCE LIMITED

Operating Expenses

Advertisement	21,738	21,209
Annual Listing Fees	29,877	10,300
Auditors Remuneration	82,725	50,562
Balance written off	-	963,812
Miscellaneous Expenses	254,151	138,611
Directors Remuneration	1,200,000	500,000
Electricity Charges	80,960	38,171
Legal and Professional Charges	161,570	110,200
Office and General Expenses	252,659	72,249
Postage and Telegram	54,291	38,802
Printing and Stationery	116,580	107,552
Provision for Loss on Stock Futures	-	190,850
Rent, Rates & Taxes	272,580	258,300
Sales Tax Assessment Dues	-	134,916
Telephone Expenses	394,581	100,328
Traveling & Conveyance	445,799	514,040
Other Charges	111,825	-
	<u>10,665,016</u>	<u>4,713,777</u>

Schedule - 18

Financial Charges:

Bank Charges	54,739	16,667
Interest on Secured Loans	2,516,513	784,300
Interest on Unsecured Loans	1,180,273	52,800
Loan Processing Charges	113,548	7,020
	<u>3,865,073</u>	<u>860,786</u>

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

Financial statements are prepared on the historical cost convention, on accrual basis, in accordance with the Generally Accepted Accounting Principals, and applicable accounting standards and the provisions of the Companies Act, 1956.

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. Revenue Recognition

Incomes/Revenues are accounted for on accrual basis in accordance with the Accounting Standard (AS-9) issued by the Institute of Chartered Accountants of India except for dividend and interest on income-tax and sales-tax refund. 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 and the delivery of the shares has been effected.

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

d. 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.

e. 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. Assets costing less than Rs. 5,000/- per item are depreciated at 100% in the year of purchase.

f. Inventories

Stock of Wood is valued at lower of cost or net realisable value. Cost is determined on the basis of direct expenses incurred in relation to cutting of trees.

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

Value of work uncertified by the principal contractor, in relation to contract is determined and valued by the management at the year-end and is carried at cost in the balance sheet as Uncertified Contract Revenues.

Property for development is valued at cost.

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. Investments

Investments are done in the name of company and valued at its cost.



i. Retirement Benefits

All short-term employee benefits are recognised at their undiscounted amount in the accounting period in which they are incurred.

Retirement Benefits in the form of gratuity and leave salary is accounted on payment basis in the year of payment

j. Income Tax

Provision for current tax is made for the tax liability payable on taxable income after considering the allowances, deductions and exemptions and disallowances if any determined in accordance with the prevailing tax laws.

The differences between the taxable income and the net profit or loss before tax for the period as per the financial statements are identified and the tax effect on the "timing differences" is recognised as deferred tax asset or deferred tax liability. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on the tax rates and laws, enacted or substantively enacted as of the balance sheet date.

Fringe Benefit Tax is provided on the value of fringe benefits provided/deemed to be provided to the employees at the applicable tax rates.

k. Borrowing cost

Borrowing cost attributable to the acquisition of fixed assets is capitalised as the part of the cost of that fixed assets, till the date it is put to use. Other borrowing cost is recognised as expenditure in the period in which they are accrued.

l. Segmental reporting

Operations of the company have been bifurcated into three primary segments i.e. Financial, Infrastructure and Realty Segments.

Segment Revenue, Results and Assets and Liabilities figures include the respective amounts identifiable to each of the Primary Segments. Other unallocable expenditure, assets and liabilities relates to corporate as a whole.

m. Leases

Lease arrangements where the risks and rewards incident to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the revenue account on a straight line basis.

n. Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is a present obligation as a result of an obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the outflow.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the company.

Contingent Assets are neither recognised nor disclosed in the Financial Statements as a matter of prudence.

o. Financial Derivatives

i. At the time of inception of the contract

Initial margin paid before entering into the Stock Future contract is debited to "Initial margin - Stock Future A/c" and year-end balance in this account is disclosed separately in the balance sheet under the head of Current Assets.

ii. At the time of daily settlement

The amount of Mark-to-Market margin received /paid is debited/credited to "Mark-to-Market Margin Stock Future A/c" and year-end balance in this account is disclosed separately in the balance sheet under the head of Current Assets/Current Liabilities as the case may be.

iii. *At the time of final settlement*

The difference between the contract price and the settlement price is calculated and recognised as profit in the Profit and Loss Account.

Notes to Accounts:**1. Contingent Liabilities:**

Claims against the company not acknowledged as Debts	Not ascertainable
Income Tax - Assessment Year 2003-04	Rs. 10,46,632/-
Penalty - Income Tax - Assessment Year 2003-04	Not determinable
Defect Liability period in respect of contracts executed	Not determinable
Sales Tax Reassessment for A. Y. 2001-02	Rs. 1,64,673/-

2. Right Issue

The Company at its 27th Annual General Meeting held on 27th July, 2007 passed a resolution under section 81 of the Companies Act, 1956 for issue of shares on a right basis. However, the Board deferred the issue of the shares on a right basis due to the market condition. To comply the applicable provisions as per the Securities Exchange Board of India (SEBI) requirements for issue of shares on a right basis, the company revalidated the aforesaid approval with partial modification at its Extra Ordinary General Meeting held on 10th January, 2009.

3. Secured Loans**From Banks**

Term Loan from ICICI Bank Rs. 2,65,579/- is secured by way of hypothecation of Car.

Term Loans from Indusind Bank Rs. 28,12,488/- are secured by way of hypothecation of four Tippers.

Term Loans from ING Vysya Bank Ltd. Rs. 73,36,545/- are secured by way of hypothecation of five Tippers

From Financial Institutions:

Term Loans from GE Capital Ltd Rs. 33,43,493/- are secured by way of hypothecation of Five Tippers.

Term Loan from GE Capital Ltd Rs. 21,66,328/- is secured by way of hypothecation of Excavator.

Term Loan from L and T Finance Ltd Rs. 20,45,565/- is secured by way of hypothecation of Excavator.

Term Loan from L & T Finance Ltd. Rs. 17,57,437/- is secured by way of hypothecation of Soil Compactor.

Term Loans from L & T Finance Ltd. Rs. 73,45,016/- are secured by way of hypothecation of Five Tippers.

Term Loans from L & T Finance Ltd. Rs. 42,15,898/- are secured by way of hypothecation of Six Tippers.

Term Loans from L & T Finance Ltd. Rs. 4,13,273/- are secured by way of hypothecation of Diesel Tanker .

Term Loan from L & T Finance Ltd. Rs. 12,33,141/- is secured by way of hypothecation of Soil Compactor.

Term Loan from Magma Finance Corp Ltd. Rs. 4,99,000/- is secured by way of hypothecation of Diesel Tanker.

Term Loan from SREI Equipment Finance Pvt. Ltd. Rs. 38,56,325/- is secured by way of hypothecation of Paver Machine & Kerb Laying Machine.

Term Loan from SREI Equipment Finance Pvt. Ltd. Rs. 25,83,472/- is secured by way of hypothecation of Loader Machine.

Term Loan from SREI Equipment Finance Pvt. Ltd. Rs. 53,25,991/- is secured by way of hypothecation of Motor Grader Machine.

Term Loan from Tata Motors Finance Ltd. Rs. 4,30,000/- is secured by way of hypothecation of Pick Up Van.



DIAMANT INVESTMENT & FINANCE LIMITED

All the above loans are also secured either by way of guarantee by the promoter company M/s. Saboo Capital and Securities Pvt Ltd or personal guarantee of Mr. Naresh S. Saboo, Director.

4. During the year, a sum of Rs. 37,790/- (Previous year Rs. 4,93,257/-) being interest till the date the asset is put to use on borrowings attributable to qualifying assets have been capitalised.
5. During the year, assets worth Rs. 89,24,336/- purchased were not put to use and hence no depreciation has been provided on the same.
6. The balances appearing under unsecured loans, sundry creditors, sundry debtors, loans and advances, and certain banks are subject to confirmation and reconciliation and consequential adjustment, if any, will be accounted for in the year of reconciliation and/or confirmation.
7. In the opinion of the Board, the Current Assets, Loans and Advances have value on realisation in the ordinary course of business, at least equal to the amount at which they are stated in the Balance Sheet.
8. In terms of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the outstanding of these enterprises are required to be disclosed. However, in absence of the information about the registration of the Enterprises under the above Act, the required information could not be furnished.
9. Since the Company recognises gratuity and leave salary expense on payment basis, no liability for the same has been ascertained and provided in the accounts. Hence, the company has not complied with the provisions of AS-15 "Accounting for Retirement Benefit".
10. The company has neither registered itself as NBFC nor has complied with the direction related to provisions of Non Banking Financial Companies Prudential Norms (Reserve Bank) Direction, 1998.
11. Uncertified contract revenue of Rs. 44,00,475/- includes work executed by the company which has not yet been certified by the principal contractors. The management has determined the value of the uncertified revenue based on the cost incurred by the company in relation to the same.

12. Earning Per Share

Particulars	2008-09 Rs.	2007-08 Rs.
a) Net Profit/ (loss) attributable to Equity Share Holders	6,26,608	88,65,738
b) Number of equity shares of Rs. 10/- each outstanding during the year.	11,98,950	11,98,950
c) Basic earning per share (a / b)	0.52	7.39

13. Additional information required to be furnished as per Para 3(1) and (2), 4 (c) and 4(d) of Part II of Schedule VI to the Companies Act, 1956. (As Certified by the Director)

Remuneration to Directors	2008-09 Rs.	2007-08 Rs.
Salary including allowances	12,00,000	5,00,000
Contribution to P.F.	Nil	Nil
Other Perquisites	Nil	Nil
Total	12,00,000	5,00,000

Remuneration to Auditors	2008-09 Rs.	2007-08 Rs.
Audit Fees	55,000	32,500
Tax Audit	20,000	12,500
Others	7,725	5,562
Total	82,725	50,562

Quantitative Information in respect of Shares & Wood	Qty.	Rs.
Opening Stock		
- Stock of Shares (No.)	58,14,272	(29,71,596)
	9,14,13,402	(6,72,34,376)

29TH ANNUAL REPORT 2008-2009

Quantitative Information in respect of Shares & Wood	Qty.	Rs.
- Stock of Wood (Tons)	Nil	(Nil)
	Nil	(Nil)
Purchases		
- Purchase of Shares (No.)	84,76,450	(2,95,14,745)
	1,15,80,94,443	(1,90,37,38,507)
- Wood generated (Tons)	4,926.008	(Nil)
	33,05,791	(Nil)
Turnover		
- Sale of Shares (No.)	1,42,90,722	(2,66,72,069)
	1,23,63,98,597	(1,89,15,42,932)
- Sale of Wood (Tons)	4,790.702	(Nil)
	56,42,268	(Nil)
Closing Stock		
- Stock of Shares (No.)	Nil	(58,14,272)
	Nil	(9,14,13,402)
- Stock of Wood (Tons)	135.306	(Nil)
	86,600	(Nil)
- Stock of Wood (Tons)	135.306	(Nil)

Figure in bracket indicates previous year figures.

Remuneration to Auditors	2007-08 Rs.	2006-07 Rs.
CIF value of imports N. A.	N. A.	N. A.
Expenditure in foreign currency	N. A.	N. A.
F.O.B. Value of Exports N. A.	N. A.	N. A.
Directors Traveling	2,47,869	2,33,585

14. The disputed demand in respect of Income Tax outstanding for the Assessment Year 2003-04 is Rs. 20,96,632/-, for which the Company has preferred an appeal. The company has already paid 50% of the demand raised under protest. Based on the decision of the appellate authorities and the interpretations of the other relevant provisions, the company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
15. The Company leases office under cancellable operating lease agreements that are renewable on a periodic basis at the option of both the lessor and the lessee. Rental payments under such leases are Rs. 2,72,580/- and Rs. 2,58,300/- during the years ended on March 31, 2009 and 2008 respectively.

Particulars	Segments						Segments	
	Financial		Infrastructure		Realty		2009	2008
	2009	2008	2009	2008	2009	2008		
Segment Revenues	12,285.68	19,140.42	808.27	132.16	-	-	13,093.95	19,272.58
Segment Results	-246.8	78.03	264.11	31.45	-	-	17.31	109.48
Less:								
Other unallocable expenses, net of unallocable Income	-	-	-	-	-	-	-	14.44
Net Profit	-	-	-	-	-	-	17.31	95.04
Segment Assets	525.78	922.98	883.29	397.24	865.23	865.23	2,290.35	2,185.45
Unallocated Corporate Assets	-	-	-	-	-	-	16.04	33.75
Total Assets	-	-	-	-	-	-	2,290.35	2,219.20



Particulars	Segments						Segments	
	Financial		Infrastructure		Realty			
	2009	2008	2009	2008	2009	2008	2009	2008
Segment Assets	525.78	922.98	883.29	397.24	865.23	865.23	2,290.35	2,185.45
Unallocated Corporate Assets	-	-	-	-	-	-	16.04	33.75
Total Assets							2,290.35	2,219.20
Segment Liabilities	416.54	801.43	740.29	361.22	678.16	618.16	1,834.99	1,780.81
Unallocated Corporate Liabilities	-	-	-	-	-	-	45.45	34.75
Total Liabilities							1,880.44	1,815.56
Capital Employed	109.24	121.55	143	36.02	187.07	247.07	409.91	403.64
Capital expenditure incurred during the year	0.73	-	360.64	370.35	-	-	361.37	370.35

12. Earning Per Share

(a) List of Related Parties

Key Managerial Personnel
✓ Naresh Jain
✓ Naresh Saboo
Relatives of Key Managerial Personnel
✓ Santosh Saboo
Associated Concerns
✓ Verbana Mercantile Pvt. Ltd.
✓ Saboo Capital and Securities Pvt. Ltd.
✓ Clarus Finance and Securities Ltd.
✓ Obident Exports Pvt. Ltd.
✓ Diamant Infrastructure Developers Pvt Ltd
✓ Diamant Realty Pvt Ltd
✓ Diamant Securities Pvt Ltd

(b) Details of transactions during the year with Related Parties

Particulars	Key Managerial Personnel	Relatives of Key Managerial Personnel	Associated Concerns
Directors Remuneration	12,00,000	-	-
Loan Received	7,13,614	-	1,99,85,000
Loan Repaid	2,12,240	-	1,01,70,000
Loans o/s as on 31.03.2009	24,80,304	-	8,34,06,576
Salary paid	-	1,50,000	-
Rent paid	-	12,000	1,20,000
Payable as on 31.03.2009	-	3,000	1,20,000
Receivable as on 31.03.2009	-	-	14,400

18. The management was of the opinion that there were no impairment indicators that existed as on the balance sheet date. Hence no provision for the impairment loss has been done.

19. Other advances includes Rs. 7,00,00,000/- (agreement value) advanced towards property at Pune for which the agreement for sale had been entered and registered in the name of the company. However the deed of conveyance has not been executed and hence not registered, due to Rs. 1,32,50,000/- out of the total consideration of Rs. 7,00,00,000/- being outstanding to be paid by the company to the vendors. The outstanding amount has been fully provided for in the accounts.

29TH ANNUAL REPORT 2008-2009

20. Provision of Rs. 1,30,000 towards Fringe Benefit Tax (FBT) as per the provisions of section 115WJ of the Income Tax Act, 1961 has been made for the current year.
21. In accordance with Accounting Standard 22 (AS-22), "Accounting for taxes on Income", issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax. The net deferred tax liability of Rs. 18,85,893/- as at the balance sheet date has been carried forward. The net deferred tax liability consists of the following components

Particulars	Current year	Previous Year
Deferred Tax Liability		
Depreciation on fixed assets	20,47,022	8,16,640
Total [A]		8,16,640
Deferred Tax Asset		
Employee Benefits	-	21,805
Disallowance u/s 40(a)(ia) of Income Tax Act, 1961	47,316	-
Disallowance u/s 43B of Income Tax Act, 1961	1,13,813	48,972
Total [B]	1,61,130	70,777
Net Deferred Tax Liability [A - B]	18,85,893	7,45,863

The company has not recognised the deferred tax asset on the unabsorbed depreciation loss of the current year in absence of virtual certainty of realisation in the future years and as a matter of prudence.

22. Previous years figures have been regrouped / re-classified in order to conform to current year's figures.
23. Balance Sheet and General Business Profile (in terms of Part IV of Schedule VI to the Companies Act, 1956) is annexed herewith.

Signature to Schedule 1 to 19

As per our Report of even date

**For Tushar Parekh and Associates
Chartered Accountants**

**For and on behalf of the Board of Directors of
Diamant Investment and Finance Limited**

CA Tushar Parekh

Proprietor

Membership No: 103230

Naresh Jain

(Director)

Naresh Saboo

(Director)

Place : Mumbai

Date : 5th June, 2009

**DIAMANT INVESTMENT & FINANCE LIMITED****Cash Flow Statement for the year ended 31st March, 2009.**

	2009	2008
Cash Flows From Operating Activities:		
Net Profit Before Tax	1,731,324	9,504,425
Add : Non Cash Items required to be disclosed separately:		
Depreciation	4,723,629	1,359,425
Impairment	-	81,400
Dividend Received	(430,010)	(237,941)
Balance written off	-	963,812
Interest Received	(39,469)	(22,839)
Interest Paid	3,696,786	837,100
Operating Profit before Working Capital Changes	9,682,260	12,485,381
Adjustments for:		
Inventories	86,926,327	(35,759,026)
Debtors	(56,637,196)	(2,938,945)
Trade Liabilities	(7,248,961)	23,818,028
Cash generated from operations	32,722,430	(2,394,562)
Tax paid (net of refunds)	(1,420,739)	(1,302,998)
Net Cash provided by operating activities	i 31,301,691	(3,697,560)
Cash Flows From Investing Activities :		
Purchase of Fixed Assets	(36,174,719)	(37,253,313)
Dividend Received	430,010	237,941
Net cash used in investing activities	ii (35,744,709)	(37,015,372)
Cash Flows From Financing Activities:		
Proceed/ Repayment of Loan	13,071,469	117,393,974
Loans & Advances	(2,766,432)	(75,587,636)
Dividend Paid	-	(1,200,000)
Dividend Distribution Tax	-	(203,940)
Interest Received	39,469	22,839
Interest Paid	(3,696,786)	(837,100)
Net cash provided from financial activities	iii 6,647,720	39,588,137
Net Change in Cash and Cash Equivalents	i+ii+iii 2,204,702	(1,124,795)
Cash and Cash Equivalents at the Beginning of the Year	1,769,416	2,894,211
Cash and Cash Equivalents at the end of the Year	<u>3,974,118</u>	<u>1,769,416</u>

As Per Our Report On Even Date :

Notes:

The above Cash Flow statement has been prepared under the Indirect Method as set out in the AS-3 on Cash flow issued by the Institute of Chartered Accountants of India
Cash and cash equivalents at the end of the year consists of Cash, Cheques in hand and balances with banks:

**For Tushar Parekh and Associates
Chartered Accountants**

CA Tushar Parekh
Proprietor
Membership No: 103230

**For and on behalf of the Board of Directors of
Diamant Investment and Finance Limited**

Naresh Jain
(Director)

Naresh Saboo
(Director)

Place : Mumbai
Date : 5th June, 2009

Balance Sheet Abstract and Company's general business profile

I. Registration details

Registration No.	U26994MH2003PLC143264	State Code	11
Balance Sheet Date	31st March, 2009		

II. Capital raised during the year (Rs. In lacs)

Public Issue	Nil	Bonus Issue	Nil
Private Placement	Nil	Right Issue	Nil

III. Position of Mobilisation and Deployment of Funds (Rs. In lacs)

Total Liabilities	1,803.06	Total Assets	1,803.06
Sources of Funds		Application of Funds	
Paid up Capital	119.90	Net Fixed Assets	677.04
Reserve & Surplus	290.01	Investments	0.01
Secured Loan	456.30	Net Current Assets	1,126.01
Unsecured Loan	918.00	Misc. Expenditure	-
Deferred Tax liability	18.86	Accumulated Losses	-

IV. Performance of the company (Rs. In lacs)

Total Turnover	12,224.69
Total Expenditure	12,207.38
Profit before Tax	17.31
Profit after Tax	6.27
Earning per share (Rs.)	0.52
Dividend Rate	-

V. Generic Names of Three Principal Products of the Company (As per Monetary terms)

Production Description Not Applicable

For Tushar Parekh and Associates
Chartered Accountants

For and on behalf of the Board of Directors of
Diamant Investment and Finance Limited

CA Tushar Parekh
Proprietor
Membership No: 103230

Naresh Jain
(Director)

Naresh Saboo
(Director)

Place : Mumbai
Date : 5th June, 2009

ATTENDANCE SLIP

DIAMANT INVESTMENT & FINANCE LIMITED

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

Please complete this attendance slip and hand it over at the Registered Office of the Company.

Members of their Proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures with the Company. The admission will, however, be subject to verification of signature and such other checks, as may be necessary.

I hereby record my presence at the Twenty Nine Annual General Meeting of the Company on 11h July, 2009 at the registered office of the Company at 11.30 am.

DP ID:		CLIENT ID:	
NAME AND ADDRESS OF SHAREHOLDER (IN BLOCK CAPITALS)			

Signature of the Shareholder of proxy _____

**PROXY FORM
DIAMANT INVESTMENT & FINANCE LIMITED**

DP ID:		CLIENT ID:	
---------------	--	-------------------	--

I/We _____ of _____

_____ Being a Member/Members

of DIAMANT INVESTMENT & FINANCE LIMITED hereby appoint _____ of

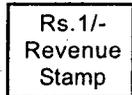
_____ of _____

(or failing him) _____ of _____

as my/our Proxy to attend and vote for me/us and on my/our behalf at Twenty Nine Annual General Meeting of the Company to be held on 11th July, 2009 at 11.30 am. at the registered office of the Company and at any adjournment thereof.

AS WHTNESS my hand/our hands this _____ day of _____ 2009.

Signed by the said _____



Note :The proxy Form must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Meeting. The Proxy need not be a member of the Company.

Folio No.: _____

Name of the Shareholders (s) : _____



DIAMANT INVESTMENT & FINANCE LTD.

9, Beaumoon Chambers, 27/3, Nagindas Master Road, Fort, Mumbai - 400 023.