



**DIAMANT INFRASTRUCTURE  
LIMITED**

**32<sup>nd</sup> Annual Report  
2011-12**

**REGISTERED OFFICE:-**

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

**BOARD OF DIRECTORS**

**Shri Naresh Saboo**  
**Shri Kamlesh Prasad**  
**Shri Ashok Kumar Shukla**  
**Shri Anil Rathi**  
**Shri Prakash Zalke**

**- Chairman cum Managing Director**  
**- Whole Time Director**  
**- Director**  
**- Independent Director**  
**- Independent Director**

**BANKERS**

Union Bank of India

**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 6606  
 Fax No.:(022) 6615 6607  
 Email : [diamant123@gmail.com](mailto:diamant123@gmail.com)  
 Web : [www.diamantinfra.com](http://www.diamantinfra.com)

**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  
 Tele : (022) 23016761  
 Email : [busicomp@vsnl.com](mailto:busicomp@vsnl.com)  
 Web : [www.purvashare.com](http://www.purvashare.com)

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# DIAMANT INFRASTRUCTURE LIMITED

## NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of the members of Diamant Infrastructure Limited will be held as under:

**DAY:** Saturday

**VENUE:**

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

**DATE:** 29th September, 2012

**TIME:** 10.00 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, 2012, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Prakash Zalke, who retires 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 authorize the Board of Directors to fix their remuneration.

"RESOLVED THAT M/s. Pilla Mathur Manuja & Co., Chartered Accountants, be and hereby appointed Auditors of the Company in place of retiring auditors, M/s Tushar Parekh & Associates to hold office until the Conclusion of the next Annual General Meeting."

**SPECIAL BUSINESS:**

4. To consider and if thought fit, to pass with or without modification(s) if any, the following ORDINARY RESOLUTION:

RESOLVED THAT Shri Ashok Kumar Shukla who was appointed as an additional Director of the Company and in respect of whom a notice under section 257 of the Companies Act, 1956 have been received from a member signifying his intention to propose, Shri Ashok Kumar Shukla, as a candidate for the office of the Director be and is hereby elected and appointed as a Director of the Company and shall be liable to retire by rotation.

5. To consider and if thought fit, to pass with or without modification(s) if any, the following SPECIAL RESOLUTION:

"RESOLVED THAT the Registered Office of Company is shifted from 9, Beau Moon Chambers, 27/33 N.M Road, Fort, Mumbai - 400 023 to Gotmare Complex, Block-B, 1st Floor, North Bazaar Road, Dharampeth Ext., Nagpur- 440 010 w.e.f 01.10.2012.

FURTHER RESOLVED THAT Shri Naresh Saboo, Managing Director be and is hereby authorised to sign, execute all necessary papers and documents for filing of Form -18 towards changes in the Registered office of the Company

By Order of the Board

Sd/-

Naresh Saboo  
Managing Director

Registered Office:  
9, Beau Moon Chambers  
27/33 N.M Road Fort  
Mumbai - 400 023  
Dated: 24th August, 2012

**NOTES:**

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HER SELF 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 ROAD, 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. 4 & 5 to the notice is annexed
2. The Register of Members and Share Transfer Books of the Company will remain closed from 17th September, 2012 to 18th September, 2012 (both days inclusive).  
In compliance with SEBI Circular No. D&CC/FITTC/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 Purva Shareregistry(I) Pvt. Ltd. 9, Shiv Shakti Industrial Estate, Sitaram Mill Compound, Mumbai-400 011
3. Members are requested to notify immediately any change in their address to the share transfer agent M/S Purva Share registry (India) Pvt Ltd, 9, Shiv Shakti Industrial Estate, Sitaram Mills Compound, J.R. Boricha Marg, Opp. Kasturba Hospital, Lower Parel (East) Mumbai 011.
4. 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.
5. 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.
6. 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.
7. 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:

Name of Appointee	Date of Birth	Qualifications	Expertise/Experience	Date of Appointment	Other Directorship, If Any
Prakash Zalke	08/03/1949	BE	He is having experience of more than 41 years in the field of Civil Construction etc. He is also having significant experience in transactions related to irrigation projects. He was retired from Government service on 31.03.2007.	01.05.2011	N.A.
Ashok Kumar Shukla	07/02/1966	BA	He is having 20 years of sound knowledge and experience of Shukla Construction of roads, highways and bridge projects including projects by RBM - Patti JV., L&T ECC Division & Sadbhav Eng. Ltd.	12.01.2012	N.A.



## **DIAMANT INFRASTRUCTURE LIMITED**

### **ANNEXURE TO NOTICE**

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

#### **ITEM NO 2.**

Shri Prakash Zalke was appointed on 01.05.2011 as an independent Director as required under the Clause 49 of the Listing Agreement. The above said appointment was in order to board of directors and to utilize their expert knowledge and advises. The board of Directors commends respective re appointment.

#### **ITEM NO 4.**

Shri Ashok Kumar Shukla was appointed as a Director of the Company on January 12, 2012 in terms of Section 260 of the Companies Act, 1956, Mr Ashok Kumar Shukla holds the office upto the Date of the ensuing Annual General Meeting. Accordingly the resolution at item No 5 of the notice being proposed for his appointment as Director of the Company.

#### **ITEM NO 4.**

The Board of Directors feels that the company has good scope in the field of Infrastructure Business. There is ample potential and ready market for the company's new business but it has been checked with the constraints of limitation of Registered Office of the company. To cope-up by this the company has planned for shifting of its registered office from Mumbai to Nagpur.

**DIRECTORS' REPORT**

Your Directors are pleased to present the 32nd Annual Report of the Company together with the Audited Financial Statements for the year ended 31st March, 2012..

**SUMMARISED FINANCIAL RESULTS:**

(Rs. in LACS)

	Year ended 31.3.2012	Year ended 31.3.2011
Income	7655.36	7718.60
Profit before interest, depreciation and tax	719.29	685.09
Less:		
Depreciation	255.73	139.51
Tax including Adjustment	35.45	124.71
Interest	283.29	151.96
Prior Period Adjustments	(0.05)	0.06
Net profits after Tax	144.81	268.96
Dividends	0	0
Balance brought forward from previous year	144.81	268.96

**THE YEAR UNDER REVIEW**

Your Company's infrastructure businesses have reported an encouraging performance for the year ended 31st March 2012.

**FUTURE OUTLOOK**

The Board feels that the economic & developing situation 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 76 crores to be completed by March 2012. 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) **RESEARCH 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.
- D) **FOREIGN EXCHANGE EARNINGS & OUTGO:**

	2011-2012 (₹ Lacs)	2010-2011 (₹ Lacs)
a. Foreign Exchange Used	101.92	Nil
b. Foreign Exchange Earned	Nil	Nil

**FIXED DEPOSITS**

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



# DIAMANT INFRASTRUCTURE LIMITED

## **DIRECTORS:**

Mr. Prakash Zalke is liable to retire by rotation at the forthcoming Annual General meeting, and being eligible offers himself for re - appointment.

Mr. Ashok Kumar Shukla was appointed as Additional Director with effect from 12th January, 2012 & the company has received a notice u/s 257 from a member of the company for proposing his appointment as a Director at the forthcoming Annual General Meeting.

Mr. Devendra Balasaria has resigned from Director of the company with effect from 13th January, 2012.

## **DIVIDEND**

The Board has decided to preserve the fiscal strength of the company, thus the board has decided against dividend for the current 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, 2012, 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 2012 on a 'going concern' basis.

## **AUDITORS' REPORT**

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

## **PERSONNEL**

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

## **AUDITORS**

M/s. Pilla Mathur Manuja & Co., Chartered Accountants be and is hereby appointed auditor of the company in place of 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 appointment, if made, will be in accordance with the limits specified U/s. 224(1B) of the Companies Act, 1956.

## **HUMAN RESOURCES**

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

## **ACKNOWLEDGEMENTS**

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

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

On behalf of the Board of Directors

Place: Mumbai  
Dated: 24th August, 2012

Naresh Saboo                      Kamlesh Parasd  
Managing Director              Director

### **CORPORATE GOVERNANCE REPORT**

#### **1 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 Infrastructure 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.diamantintra.com](http://www.diamantintra.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 5 members, out of which 2 are Independent Directors namely Mr. Anil Rathi and Mr. Prakash Zalke. Mr. Naresh Saboo, Executive Managing Director is the Chairman of the Board. Mr. Kamlesh Prasad is the Whole time Director of the company and Mr. Ashok Kumar Shukla is an Executive Director of the company.

#### **3 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 and appointed as a Managing Director with effect from 1st April, 2009. Mr. Naresh Saboo controls the management of the company through Saboo Capital & Securities Pvt. Ltd. and holds 5,413,960 equity of the company. He is a qualified Chartered Accountant and has vast knowledge in the infrastructure business.
2. Mr. Kamlesh Prasad -Appointed as Whole Time Director on 29/05/2010.
3. Mr. Anil Rathi - Independent Director appointed in 29th May 2010 and holds Warrants through in his name. He is a senior member of the institute of Chartered Accountants of India and had adequate experience in both accounts and corporate laws.
4. Mr. Prakash Zalke - Independent Director appointed in 1st May 2011 and holds Nil Shares in the Company. He is a senior engineer in project management and infrastructure development. He has well knowledge in infrastructure Development.
5. Mr. Ashok Kumar Shukla - Executive Director appointed in 12th January, 2012 and holds Nil Shares in the Company. He is an B.A. and 20 years of experience and sound knowledge in construction of roads, highways and bridge projects. He also has vast experience in implementation of various projects in many area.

#### **Number of Board Meetings**

The Board of Directors met 8 times during the year on 05.04.2011; 23.05.2011; 30.05.2011; 12.08.2011; 24.09.2011; 14.11.2011; 12.01.2012 and 13.02.2012.

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, 2012:





# DIAMANT INFRASTRUCTURE LIMITED

Name of the Director	Category of Directorship	No of Board Meetings during the Year 2011-12		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 cum Managing Director	5	5	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	5	2
Mr. Kamlesh Prasad	Whole Time Director	5	5	Yes	NIL	5	NIL
Mr. Anil Rathi	Non Executive & Independent Director	5	5	Yes	Tarangan Developers Pvt Ltd - Jagdamba Infrastructure Pvt Ltd - Tarangan Infrastructure Pvt Ltd Mile Stone Mining Pvt Ltd -Nitin Thermal Pvt Ltd	3	2
Mr. Devendra Balasaria	Executive Director	2	2	N.A.	NIL	2	NIL
Mr. Prakash Zalke	Non Executive & Independent Director	NIL	NIL	N.A.	NIL	NIL	NIL
Mr. Ashok Kumar Shukla	Executive Director	2	2	N.A.	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 directors that is Mr. Anil Rathi (Chairman of the committee) and Mr. Prakash Zalke and Managing Director that is Mr. Naresh Saboo, 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 Five times during the year 29TH May, 2011, 13th August, 2011, 13th November, 2011, 10th February, 2012, 25th March, 2012.

Name and designation of the Compliance Officer : Mr. Kamlesh Prasad

## 2. Remuneration Committee :

The Remuneration Committee comprised of two independent Directors that is Mr. Anil Rathi (Chairman of the committee) and Mr. Prakash Zalke and Managing director that is Mr. Naresh Saboo, There were no remuneration committee meeting held during the year under review as no further or new remuneration was paid to any Director.

Name and designation of the Compliance Officer : Mr. Kamlesh Prasad

## 3. Shareholder/Investor Grievances Committee

The Shareholder/Investor Grievances committee comprises of two independent director Mr. Anil Rathi (Chairman) and Mr. Prakash Zalke and one promoter managing 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 30th June 2011, 21st August, 2011, 30th December, 2011, 13th March, 2012.

Name and designation of the compliance officer: Mr. Kamlesh Prasad

## 5. General Body Meetings:

Year	Date	Venue
2008-2009	4th July, 2009	9, Beau Moon Chambers, 27/33 N.M. Road, Fort, Mumbai-400 023
2009-2010	17th September, 2010	9, Beau Moon Chambers, 27/33 N.M. Road, Fort, Mumbai-400 023
2010-2011	24th September, 2011	9, Beau Moon Chambers, 27/33 N.M. Road, Fort, Mumbai-400 023

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

## 7. 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.

## 8. Means of Communication:

Diamant Infrastructure Limited has its own web-site [www.diamantinfra.com](http://www.diamantinfra.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.

## 9. 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.



## DIAMANT INFRASTRUCTURE LIMITED

### Overview

DIAMANT INFRASTRUCTURE LIMITED (DIL) is a public limited company. Engaged into Road Construction. 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. Again the name of the Company has changed to Diamant Infrastructure Ltd. w.e.f. 24.03.2011 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, IRB Infrastructure Ltd & IVRCL Ltd. The company at present is engaged in road construction of 38 km. in state of Orissa.

The company has started SFRC (Steel Fiber Reinforce Concrete) Precast Division in March 2011 and has started the production of SFRC Rain Water drains & SFRC Compound Walls. The Company has successfully completed contract of Precast drain with cover of Oriental Structural Engineers Pvt Ltd in the State of Maharashtra and Chetak Enterprises Ltd.

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 program, 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 are 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 favorable 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 centers.

#### **Financial and Operating Performance:**

The total income of the Company for the year 2011-12 was Rs. 7706.92 lakhs compared to Rs. 7733.96 lakhs during the previous year. The operating profit (PBDIT) for the Company also increased from Rs. 719.29 lakhs during the year as against Rs. 685.09 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.

#### **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 Infrastructure 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.

#### Risk Management

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

#### General Shareholders' Information:

- a) **Annual General Meeting**
  - Date and time : 29th September, 2012, 10:00 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 2012-2013 (1st April, 2012 to 31st March, 2013)
  - First Quarter : End of July, 2012.
  - Second Quarter : End of October, 2012.
  - Third Quarter : End of January, 2013.
  - Fourth Quarter/Annual : End of June, 2013.
  
- c) **Dates of Book Closure** : 17th September, 2012 to 18th September, 2012

#### Investor Grievances

The Company has constituted a Shareholders/Investors Grievances Committee for redressing shareholders' complaints, as mentioned earlier in this report. Grievance redressed 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:- diamant123@gmail.com

#### Compliance Officer :

Mr. Kamlesh Prasad is appointed as compliance Officer of the Company.

#### Promoter of the Company:

M/S Saboo Capital and Securities Pvt Ltd holds 5413960 equity shares of Rs 2/- 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.P. 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:

Month	Open Price	High Price	Low Price	Close Price	No.of Shares
Apr-11	59.40	64.80	54.00	61.95	3745391
May-11	62.75	63.95	47.05	60.85	8068965
Jun-11	58.10	63.50	46.00	47.70	6982811
Jul-11	48.00	61.75	46.70	51.40	4905096
Aug-11	51.75	51.75	23.05	23.05	2021151
Sep-11	21.90	25.15	15.40	16.20	2489810
Oct-11	15.40	20.15	13.95	15.65	4577156
Nov-11	15.00	16.55	9.05	10.25	5365524
Dec-11	10.65	10.90	7.40	9.49	4984475
Jan-12	9.49	10.74	8.11	8.56	2505649
Feb-12	8.87	17.85	8.02	16.99	2014235
Mar-12	17.00	18.90	11.25	11.50	2028059

g) Distribution of Shareholding as on 31st March, 2012

CATEGORY	NO.OF SHARES	% OF SHARE HOLDING
<b>A. Promoter's Holding</b>		
1. Promoters		
- Indian Promoters	5,413,960	15.38
- Foreign Promoters		
2. Persons acting in Concert	Nil	Nil
Sub Total	5,413,960	15.38
<b>B. Non-Promoters Holding</b>		
3. Institutional Investor		
a. Mutual Funds and UTI	Nil	Nil
b. Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions/ Non- Government Institutions)		
Sub Total	Nil	Nil



# DIAMANT INFRASTRUCTURE LIMITED

<b>4. Others</b>		
a. Private Corporate Bodies	66,83,929	18.99
b. Indian Public	2,22,56,792	63.22
c. NRIs/OCBs	8,49,319	2.41
d. Any Other (Clearing Member & Trust)		
Sub Total	29790040	84.62
<b>GRAND TOTAL</b>	<b>35204000</b>	<b>100.00</b>

### Shareholding pattern as on 31st March, 2012

Shares From	To	No. of Shareholders	% to Total	Total Shares Amount Rs.	% to Total
1	5,000	1947	68.39	3,857,776	5.48
5,001	10,000	372	13.07	2,879,074	4.09
10,001	20,000	184	6.46	2,990,114	4.25
20,001	30,000	66	2.32	1,655,648	2.35
30,001	40,000	73	2.56	2,746,416	3.90
40,001	50,000	18	0.63	822,656	1.17
50,001	100,000	79	2.77	5,799,790	8.24
100,001	And Above	108	3.79	49,656,526	70.53
<b>Total</b>		<b>2847</b>	<b>100.00</b>	<b>70,408,000</b>	<b>100.00</b>

#### h) Office Location:

Company's Registered Office Address : **Diamant Infrastructure Limited**  
 9, Beau Moon Chambers,  
 27/33 N.M Road, Fort, Mumbai-400 023  
**Phone: 022-6615 6606 Fax: 66156607**  
 Web:- [www.diamantinfra.com](http://www.diamantinfra.com)

Investor's Service Cell : **Diamant Infrastructure Limited**  
 9, Beau Moon Chambers,  
 27/33 N.M Road, Fort, Mumbai-400 023  
 Phone: 022-6615 6606 Fax: 66156607  
 E-mail: [diamant123@gmail.com](mailto:diamant123@gmail.com)

#### Dematerialisation of Shares and Liquidity

89.77% of the Company's shares are in Dematerialized form rest of the shares are held in physical form as on 31st March, 2012. The Equity Shares of the Company are frequently traded at Bombay Stock Exchange (BSE).

#### CODE OF CONDUCT DECLARATION

Pursuant to Clause 49I(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the Board Members and senior management personal of the Company have affirmed compliances with the Code of Conduct for the Year Ended 31st March, 2012.

Place : Mumbai  
 Date : 24th August, 2012

Sd/-  
 Naresh Saboo  
 Managing Director

## **Practicing Company Secretary's Certificate Regarding Corporate Governance**

**To,**

**The Member of  
Diamant Infrastructure Limited**

We have examined the Compliance of conditions of Corporate Governance by Diamant Infrastructure Limited (The Company) for the financial year ended on March 31st, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

In our opinion and on the best of our information and according to explanations given to us, we certify that the Company has complied with the Conditions of Corporate Governance as stipulated in clause 49 of the above mentioned listing agreement.

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

**For, Manoj Agrawal & Associates  
Company Secretaries  
Manoj Kumar Agrawal  
Proprietor  
C P No 5368**

Nagpur, 24th August, 2012





## Auditor's Report

**To The Members,  
M/s Diamant Infrastructure Limited,**

We have audited the attached Balance Sheet of M/s. Diamant Infrastructure Limited as at 31st March, 2012 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 Gratuity liability not provided as explained in note 23.16 ;
  - e) Attention is invited to the following:
    - i. In relation to defaults in payments of tax deducted at source more specifically detailed in clause 9(a) below, the company has not provided for the interest aggregating to ₹ 7,19,511/- computed till 31st March, 2012 which is due on the unpaid amount of Tax deducted at source. The management has represented that the same shall be provided in the books on payment basis. To that extent the net profit of the current year has been overstated by ₹ 7,19,511/- and the creditors have been understated by the same amount.
  - f) 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, 2012 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.

- g) in our opinion and to the best of our information and according to the explanations given to us, subject to our comments in para 3(d) and (e) above and para 9(a), 9(b) and 11 below, 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, 2012;
  - 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**  
(FRN: 117307W)  
CA Tushar Parekh  
**Proprietor**  
Membership No: 103230

Place: Mumbai  
Date: 24th August, 2012

### **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 has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) According to the information and explanations given to us, the fixed assets of the company 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. As per the management representation, 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 of stores, spares and consumable 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 were 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 has 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.
  - b) The Company had taken unsecured loans from one company, covered in the register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year aggregate to ₹ 38,00,000/- and the year-end balance in respect of these loans was ₹ Nil.
  - c) 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.
  - d) In respect of above loans taken by the Company, this has been repaid during the year and therefore the question of overdue amounts as such 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 ₹ 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 Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 with regard to acceptance of deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
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.
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 Income-Tax, Sales-tax, Service tax and other material statutory dues applicable to the company with the appropriate authorities during the year. However, the company has not paid the tax deducted at source from various parties during the year aggregating to ₹ 73,66,409/- (excluding the amount of interest of ₹ 7,95,118/- payable on the unpaid amount) till the date of signing of this report..
  - b) According to the information and explanations given to us, undisputed amounts aggregating to ₹ 29,35,932/- payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 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	₹	Period to which it relates	Forum where the dispute is pending
Chhattisgarh Sales tax	Penalty for short payment of sales tax on purchase of fixed assets.	22,00,000/-	F. Y: 2008 - 2009	Assistant Commissioner of Sales Tax, Durg, Chhatisgarh

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 defaulted in repayment of dues to one financial institution during the year. The aggregate amount of the default as on 31st March, 2012 on account of principal and interest is ₹ 69,62,781/- (principal amount ₹ 59,84,896/- and interest ₹ 9,77,891/-). However, out of the above an amount of ₹ 53,09,205/- has been paid by the company on various dates till 15th June 2012 after which the said loans have been rescheduled by the said financial institution. 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. According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other investments.
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**  
 (FRN: 117307W)  
 CA Tushar Parekh  
**Proprietor**  
 Membership No: 103230

Place: Mumbai  
 Date: 24th August, 2012



# DIAMANT INFRASTRUCTURE LIMITED

## Balance sheet as at 31st March, 2012

Particulars	Note No	As at 31st March 2012 (₹)	As at 31st March 2011 (₹)
<b>Equity and liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	2	70,408,000	70,408,000
Reserves and surplus	3	120,367,565	105,886,661
Money received against share warrants	23.11	37,000,000	37,000,000
<b>Non-current liabilities</b>			
Long term borrowings	4	182,061,497	60,358,898
Deferred tax liabilities (Net)	23.7	101,331	1,151,130
<b>Current liabilities</b>			
Short-term borrowings	5	86,808,522	68,463,142
Trade payables	6	239,437,776	301,568,538
Other current liabilities	7	33,878,210	21,105,668
<b>Total</b>		<b>770,062,901</b>	<b>665,942,037</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	8.1	235,233,971	122,406,748
Intangible assets	8.2	27,712	55,359
Capital work in progress	-	-	606,080
Non-current investments	9	625	625
<b>Current assets</b>			
Inventories	10	17,669,263	24,244,717
Trade receivables	11	347,444,503	346,905,410
Cash and cash equivalents	12	6,873,835	9,401,439
Other current assets	13	162,812,992	162,321,659
<b>Total</b>		<b>770,062,901</b>	<b>665,942,037</b>
<b>Notes forming part of the financial statements</b>	<b>1 - 23</b>		

As per our report of even date

**For Tushar Parekh and Associates**  
**Chartered Accountants**  
(FRN: 117307W)

**For and on behalf of the Board of Directors of**  
**Diamant Infrastructure Limited**

CA Tushar Parekh  
**Proprietor**  
Membership No: 103230  
Place : Mumbai  
Date : 24th August, 2012

Naresh Saboo  
**Managing Director**

Kamlesh Prasad  
**Director**

**Statement of Profit and loss account for the year ended 31st March, 2012**

Particulars	Note No	As at 31st March 2012 (₹)	As at 31st March 2011 (₹)
<b>Income</b>			
Revenue from operations	14	765,535,438	771,860,114
Other income	15	5,156,979	1,536,064
<b>Total revenue</b>		<b>770,692,417</b>	<b>773,396,178</b>
<b>Expenditure</b>			
Cost of material consumed	16.1	13,902,237	-
Purchases and direct expenses	16.2	635,240,954	678,095,430
Changes in inventories	17	5,460,240	(4,775,272)
Employee benefit expenses	18	24,712,848	22,881,499
Finance cost	19	28,329,925	15,195,898
Depreciation and amortisation expense	9	25,572,961	13,951,016
Other expenses	20	19,447,288	8,686,332
<b>Total expenditure</b>		<b>752,666,453</b>	<b>734,034,903</b>
<b>Profit/(Loss) before tax</b>		<b>18,025,964</b>	<b>39,361,275</b>
<b>Tax expenses</b>			
Current Tax		4,600,000	11,375,000
Deferred Tax		(1,049,799)	(6,795)
Current tax expense relating to prior years		(5,140)	1,096,481
		<b>3,545,061</b>	<b>12,464,686</b>
<b>Profit/(Loss) for the year from continuing operations</b>		<b>14,480,903</b>	<b>26,896,589</b>
<b>Earnings per share:</b>			
<b>Basic and Diluted</b>			
Computed on the basis of total profit from continuing operations	23.6	0.41	0.76
Notes forming part of the financial statements	1 - 23		

As per our report of even date  
For Tushar Parekh and Associates  
Chartered Accountants  
(FRN: 117307W)

For and on behalf of the Board of Directors of  
Diamant Infrastructure Limited

CA Tushar Parekh  
Proprietor  
Membership No: 103230  
Place: Mumbai  
Date: 24th August, 2012

Naresh Saboo  
Managing Director  
Kamlesh Prasad  
Director



## Note - 1

### Significant Accounting Policies

#### a. Basis of Preparation of Financial Statements

The financial statements have been prepared with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply in all material respects with the accounting standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accountings policies have been consistently applied by the Company and are consistent with those used in the previous period.

#### b. Use of Estimates

The preparation of the financial statements requires the management to take reasonable estimates and assumption that affect the reported amount of assets, liabilities and disclosure of contingent liabilities as at the date of the financial statements. Management believes that these estimates are reasonable and prudent. However, actual results may differ from estimates.

#### c. Cash Flow Statements

Cash flow statement of the company reports cash flows during the period classified by operating, investing and financial activities.

#### d. Revenue Recognition

Incomes/Revenues are accounted for on accrual basis 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.

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

#### e. Fixed Assets

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

#### f. Depreciation

Depreciation has been provided on Straight Line Method in accordance with section 205(2) of the Companies Act, 1956 at the rates specified in schedule XIV to the Companies Act, 1956, on pro-rata basis with reference to the period of use of such assets. Assets costing less than ₹ 5,000/- per item are depreciated at 100% in the year of purchase.

#### g. Amortisation of Intangible Assets

Intangible Assets as defined in Accounting Standard 26-"Intangible Assets" are valued at cost and amortised as per its useful life and value in use.

#### h. Inventories

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 re-development is valued at cost.

Stock of raw materials, trading goods, stores, spares and consumables is valued at cost.

**l. 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.

**j. Investments**

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

**k. 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.

**l. 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.

**m. Segmental reporting**

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

**n. 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.

**o. Earnings Per Share**

Earnings per Share has been computed in accordance with Accounting Standard 20 - "Earning Per Share" by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The earnings considered for ascertaining the company's Earnings per Share is the net profit after tax.

**p. 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.

#### q. 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.

#### Note 2 Share capital

Particulars	Note No	As at 31st March 2012 (₹)	As at 31st March 2011 (₹)
<b>(a) Authorised</b>			
5,00,00,000 equity shares of ₹ 2/- each with voting rights		100,000,000	100,000,000
		<b>100,000,000</b>	<b>100,000,000</b>
<b>(b) Issued , subscribed and fully paid up</b>			
3,52,09,250 equity shares of ₹ 2/- each fully paid up with voting rights		70,418,500	70,418,500
Less: Shares forfeited (1,050 Equity Shares of ₹ 10/- each) (Refer Note (iii) below)		(10,500)	(10,500)
3,52,04,000 Equity Shares of ₹ 2/- each fully paid up with voting rights		70,408,000	70,408,000
Of the Above:			
a) 1,79,84,250 equity shares of ₹ 2/- each have been allotted as fully paid up bonus shares by capitalising free reserves			
b) 1,12,25,000 Equity shares of ₹ 2/- each have been allotted as fully paid by preferential allotment			
		<b>70,408,000</b>	<b>70,408,000</b>

#### Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Issued, subscribed and fully paid up

Particulars	Opening balance	Fresh issue	Bonus	ESCP	Conver-sion	Buy back	Other changes	Closing balance
Equity shares with voting rights								
Year ended 31 March, 2012								
- Number of shares	35,204,000	-	-	-	-	-	-	35,204,000
- Amount (₹)	70,408,000	-	-	-	-	-	-	70,408,000
Year ended 31 March, 2011								
- Number of shares	35,204,000	-	-	-	-	-	-	35,204,000
- Amount (₹)	70,408,000	-	-	-	-	-	-	70,408,000

**Depreciation as per Income Tax (Annexure- 1)**  
**Notes forming part of the financial statements**  
**Note 2 Share capital (Contd)**

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Class of shares/Name of shareholder	31st March 2012		31st March 2011	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights Saboo Capital & Securities Pvt Ltd	5,413,960	15.38%	5,413,960	15.38%

**(iii) Details of forfeited shares:**

Class of shares/Name of shareholder	31st March 2012		31st March 2011	
	Number of shares	Amount originally paid up (₹)	Number of shares	Amount originally paid up (₹)
Equity shares with voting rights :				
Sri Babulal Basweka	50	500	50	500
Sri C K Vaidyanath	50	500	50	500
Sri Harilal Pandit	50	500	50	500
Sri Jayant Y sane	50	500	50	500
Smt. Lajjavanti Srivastava	50	500	50	500
Sri S Somasundaram	100	1,000	100	1,000
Sri Rameshchandra Seth	100	1,000	100	1,000
Lt. Co. Pramod Ahuja	100	1,000	100	1,000
Smt. Mangla P Ahuja	100	1,000	100	1,000
Shri Mohammed Qaseem	150	1,500	150	1,500
Shri Sukhendranath	250	2,500	250	2,500

Particulars	31st March 2012 (₹)		31st March 2011 (₹)	
<b>Note - 3 Reserves and Surplus</b>				
<b>Capital Reserve</b>				
Balance as per last financial statement		5,250		5,250
Add: Transfer from Share forfeiture		-		-
Closing balance		5,250		5,250
<b>Securities Premium</b>				
Balance as per last financial statement		67,350,000		67,350,000
Less: Utilised during the year		-		-
Closing balance		67,350,000		67,350,000



# DIAMANT INFRASTRUCTURE LIMITED

## Surplus/(Deficit) in statement of profit and loss

Balance as per last financial statement	38,531,412	11,634,823
Add: Profit/(loss) for the year	14,480,903	26,896,589
Net surplus/(Deficit) in statement of profit and loss	53,012,315	38,531,411
	<b>120,367,565</b>	<b>105,886,661</b>

## Note - 4 Long-term borrowings

### Secured

From Banks (Refer Note no. 23.2(a))	52,127,738	13,475,397
From Financial Institutions (Refer Note no. 23.2(b))	129,933,759	46,883,501
	<b>182,061,497</b>	<b>60,358,898</b>

## Note - 5 Short-term borrowings

### Secured

From Banks (Refer Note no. 23.3(a))	771,864	2,838,955
From Financial Institutions (Refer Note no. 23.3(b))	7,686,224	3,364,760
Cash Credit with Union Bank of India (Refer Note no. 23.4)	78,350,434	62,259,426
	<b>86,808,522</b>	<b>68,463,142</b>

## Note - 6 Trade payables

Sundry Creditors	239,437,776	301,568,538
	<b>239,437,776</b>	<b>301,568,538</b>

## Note - 7 Other current liabilities

Unpaid dividend (Not yet become due for transfer to Investor and Protection Fund)	166,125	167,125
Statutory remittances	10,122,961	5,938,543
Security deposits from sub-contractors	6,414,377	-
Advances from principal contractors	17,174,747	15,000,000
	<b>33,878,210</b>	<b>21,105,668</b>

## Note - 8.1 Fixed assets

A. Tangible assets	Gross block									
	Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Redeclared as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Plant & Equipments	141,811,329	146,508,008	16,004,188	-	-	-	-	2,293,230	-	274,608,379
Furniture & Fixtures	3,549,434	21,974	10,862	-	-	-	-	-	-	3,560,746
Vehicles	8,013,684	2,076,437	-	-	-	-	-	-	-	10,090,121
Office Equipments	250,767	305,361	6,091	-	-	-	-	-	-	550,037
<b>Total</b>	<b>153,625,214</b>	<b>148,911,780</b>	<b>16,020,941</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,293,230</b>	<b>-</b>	<b>286,808,283</b>
<b>Previous year</b>	<b>(120,580,045)</b>	<b>(33,716,374)</b>	<b>(681,204)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(153,625,215)</b>

**Note - 8.1 Fixed assets**

B. Tangible assets	Accumulated depreciation and impairment									
	Balance as at 1 April, 2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement of profit and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Plant & Equipments	29,698,308	24,360,734	5,845,374	-	1,929,427	-	-	50,163,095	224,445,294	112,113,021
Furniture & Fixtures	860,295	225,045	12,048	-	10,488	-	-	1,073,780	2,486,966	2,699,139
Vehicles	663,326	914,594	-	-	624,827	-	-	2,202,747	7,887,374	7,360,358
Office Equipments	6,537	22,591	6,091	-	112,653	-	-	135,680	414,347	244,230
<b>Total</b>	<b>31,218,466</b>	<b>25,542,964</b>	<b>5,863,513</b>	<b>-</b>	<b>2,677,395</b>	<b>-</b>	<b>-</b>	<b>53,575,312</b>	<b>235,233,971</b>	<b>122,406,746</b>
Previous year	(17,366,090)	(13,912,364)	(59,967)	-	-	-	-	(31,218,467)	(122,406,746)	(103,223,965)

**Note - 8.2 Fixed assets**

A. Intangible assets	Gross block								
	Balance as at 1 April, 2011	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 March, 2012
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer software	115,968	-	25,968	-	-	-	-	-	90,000
<b>Total</b>	<b>115,968</b>	<b>-</b>	<b>25,968</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,000</b>
Previous year	(115,968)	-	-	-	-	-	-	-	(115,968)

**Note - 8.2 Fixed assets**

B. Intangible assets	Accumulated depreciation and impairment								
	Balance as at 1 April, 2011	Depreciation/ amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised/ (reversed) in statement of profit and loss	Other adjustments	Balance as at 31 March, 2012	Balance as at 31 March, 2012	Balance as at 31 March, 2011
	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)	(₹)
Computer software	60,609	29,997	28,318	-	-	-	62,288	27,712	55,359
<b>Total</b>	<b>60,609</b>	<b>29,997</b>	<b>28,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,288</b>	<b>27,712</b>	<b>55,359</b>
Previous year	(21,957)	(38,652)	-	-	-	-	(60,609)	(55,359)	(94,011)



# DIAMANT INFRASTRUCTURE LIMITED

## Note - 9 Non-current investments (at cost)

Shares of Shamrao Vithal Co-op Bank (Unquoted) (25 shares of ₹ 25/- each fully paid up)	625	625
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	625	625
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## Note - 10 Inventories

(As taken, valued and certified by management)

Uncertified contract revenues (At cost) (Refer Note no. 23.15)	2,107,009	8,457,414
Raw Material (At lower of cost and realisable value)	1,108,786	2,224,000
Stock of stores and spares (At lower of cost and realisable value)	2,873,468	1,983,303
Property at Pune (At cost)	11,580,000	11,580,000
	<b>17,669,263</b>	<b>24,244,717</b>

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## Note - 11 Trade receivables

(Unsecured, Considered good)

Trade receivables outstanding for a period exceeding six months	108,219,290	43,604,610
Other Trade receivables	239,225,213	303,300,800
	<b>347,444,503</b>	<b>346,905,410</b>

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## Note - 12 Cash and cash equivalents

Cash and its equivalents	965,846	4,897,458
Balance with banks		
- In current accounts	143,426	383,960
- In earmarked deposit account (Refer Note 23.1(i)(b))	5,598,438	3,952,896
- In unpaid dividend account	166,125	167,125
	<b>6,873,835</b>	<b>9,401,439</b>

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## Note - 13 Short Term loans & advances

(Unsecured, Considered Good)

Security deposits with clients	26,391,087	12,269,506
Income tax paid	19,737,541	9,146,765
(Net of provision for tax ₹ 2,17,25,000/-, Previous Year ₹ 1,74,15,000/-)		
Prepaid expenses	793,716	726,762
Balance with Government authorities	205,000	417,321
Advance recoverable in cash or in kind or for value to be received	1,813,367	818,405
Other loans and advances (Refer Note 23.12)	113,872,281	138,942,900
	<b>162,812,992</b>	<b>162,321,659</b>

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## Note - 14 Revenue from operations

Contract and sub-contract receipts	597,975,233	771,860,114
Trading sales	167,560,205	-
	<b>765,535,438</b>	<b>771,860,114</b>

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**Note - 15 Other income**

Interest income	2,584,184	238,747
Excess royalty received	-	941,267
Claims received	2,182,171	215,249
Scrap sales	171,674	123,151
Other Income	218,950	17,650
	<b>5,156,979</b>	<b>1,536,064</b>

**Note - 16.1 Cost of raw material consumed**

Opening Stock	2,224,000	-
Add: Purchases (*)	12,787,023	2,224,000
	15,011,023	2,224,000
Less: Closing Stock	1,108,786	2,224,000
	<b>13,902,237</b>	-

**Notes**

(\*) Material consumed comprises of:

Steel	4,903,034	-
Cement	2,785,457	-
HB Wire Cutlenght	1,601,000	-
Others	4,612,746	-

**Note - 16.2 Purchases and direct expenses**

Purchases of trading goods	166,732,894	-
Contract work payment	363,197,528	599,562,643
Fuel expenses	64,957,913	37,359,255
Repairs & maintenance		
- Vehicles	13,971,976	16,994,484
- Machinery	11,196,106	6,713,930
Insurance expenses	1,217,516	865,958
Transport charges	1,363,001	116,000
Labour charges	2,771,124	3,506,652
Hire charges	2,471,591	2,190,022
Miscellaneous expenses	7,361,305	10,786,486
	<b>635,240,954</b>	<b>678,095,430</b>

**Note - 17 Changes in inventories**

Stock as at 31st March		
Uncertified contract revenues	2,107,009	6,233,414
Stock of trading goods, stores, spares and property	14,453,468	15,787,303
	16,560,477	22,020,717
Less : Stock as at 1st April		
Uncertified contract revenues	6,233,414	4,436,838
Stock of trading goods, stores, spares and property	15,787,303	12,808,607
	22,020,717	17,245,445
	<b>5,460,240</b>	<b>(4,775,272)</b>



# DIAMANT INFRASTRUCTURE LIMITED

## Note - 18 Employee benefit expenses

Salaries and bonus	20,917,357	19,029,199
Staff welfare expenses	3,687,304	3,852,209
Other employee benefits	108,187	91
	<b>24,712,848</b>	<b>22,881,499</b>

## Note - 19 Finance cost

Bank charges	971,450	124,615
Interest on secured loans	26,212,523	13,063,375
Loan processing charges	1,145,952	2,007,908
	<b>28,329,925</b>	<b>15,195,898</b>

## Note - 20 Other Expenses

Advertisement	56,159	34,757
Electricity charges	379,150	268,480
Telephone expenses	867,947	771,725
Directors Remuneration	2,678,387	2,000,000
Postage & telegram	58,738	124,517
Printing & stationery	125,764	185,398
Rent, rates and taxes (Refer Note 23.17)	1,384,111	739,850
Exchange rate difference	441,325	-
Travelling & conveyance	1,508,778	1,167,985
Office and general expenses	909,450	765,648
Legal and Professional Charges	590,409	810,094
Payment to auditor (Refer note below)	175,000	132,360
Impairment of Assets	2,677,395	-
Loss on disposal of fixed assets	2,019,833	-
Miscellaneous Expenses	5,574,842	1,685,518
	<b>19,447,288</b>	<b>8,686,332</b>

## Payment to auditor:

### As auditor:

Audit fee	100,000	65,000
Tax audit fee	25,000	20,000
Limited review	40,000	25,000

### In other capacity:

Other services (certification fees)	10,000	10,000
Service tax	-	12,360
	<b>175,000</b>	<b>132,360</b>

**Note - 21 Segment Information**

The Company has identified business segments as its primary segment. Business segments are primarily Infrastructure, Trading and Realty. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable.

Particulars	For the year ended 31 March, 2012				
	Business segments				Total
	Infrastructure	Trading	Realty	Unallocable	
	(₹)	(₹)	(₹)	(₹)	(₹)
Revenue	602,855,790	167,637,637	-	198,990	770,692,417
	<i>773,396,178</i>	-	-	-	<i>773,396,178</i>
Segment result	19,274,256	(913,641)	-	(3,879,712)	14,480,903
	<i>42,768,836</i>	-	<i>(20,000)</i>	<i>(15,852,247)</i>	<i>26,896,589</i>
Operating income	112,626,214	827,311	-	-	113,453,526
	<i>98,539,956</i>	-	-	-	<i>98,539,956</i>
Other income (net)	4,880,557	77,432	-	198,990	5,156,979
	<i>1,536,064</i>	-	-	-	<i>1,536,064</i>
Profit before taxes	19,269,116	(913,641)	-	(329,511)	18,025,964
	<i>42,768,836</i>	-	<i>(20,000)</i>	<i>(3,387,561)</i>	<i>39,361,275</i>
Tax expense	-	-	-	3,545,061	3,545,061
	-	-	-	<i>12,464,686</i>	<i>12,464,686</i>
Net profit for the year	19,269,116	(913,641)	-	(3,874,572)	14,480,903
	<i>42,768,836</i>	-	<i>(20,000)</i>	<i>(15,852,247)</i>	<i>26,896,589</i>

Particulars	For the year ended 31 March, 2012				
	Business segments				Total
	Infrastructure	Trading	Realty	Unallocable	
	(₹)	(₹)	(₹)	(₹)	(₹)
Segment assets	612,978,820	53,390,050	125,252,281	166,750	791,787,901
	<i>532,478,008</i>	-	<i>146,522,900</i>	<i>4,356,130</i>	<i>683,357,038</i>
Segment liabilities	484,995,476	40,704,938	13,250,000	25,061,922	564,012,336
	<i>434,900,166</i>	-	<i>13,250,000</i>	<i>21,912,211</i>	<i>470,062,377</i>
Depreciation and amortisation (allocable)	25,572,961	-	-	-	-
	<i>(13,951,016)</i>	-	-	-	-

**Note: Figures in Italics indicates previous years figures**





# DIAMANT INFRASTRUCTURE LIMITED

## Note - 22 Related party transactions

### Description of relationship

### Names of related parties

Key Management Personnel (KMP)

Naresh Saboo (Managing Director)  
Kamlesh Prasad (Executive Director)  
Ashok Kumar Shukla (Executive Director)  
Devendra Balasaria (Executive Director)  
Prakash Zalke (Independent Director)

Relatives of KMP

Ms. Madhu Saboo (Wife of the Managing Director Mr Naresh Saboo)  
Mr Santosh Saboo (Brother of the Managing Director Mr Naresh Saboo)  
Mr Rakesh Prasad (Brother of the Executive Director Mr Kamlesh Prasad)  
Mr Ajay Kumar Shukla (Nephew of the Executive Director Mr Ashok Shukla)  
Pradeep Zalke (Bother of Independent Director Mr. Prakash Zalke)

Company in which KMP/Relatives of KMP can exercise significant influence

M/s. Saboo Capital and Securities Pvt Ltd  
(Company in which the Managing Director Mr Naresh Saboo is a Director)  
M/s. Precision wire Industries  
(Company in which the Executive Director Mr Devendra Balsaria is a Director)

Note: Related parties have been identified by the Management.

Details of related party transactions during the year ended 31 March, 2012 and balances outstanding as at 31 March, 2012: (₹)

Particulars	KMP	Relatives of KMP	Entities in which KMP/relatives of KMP have significant influence	Total
Directors Remuneration	2,678,387 (2,000,000)	- (-)	- (-)	2,678,387 (2,000,000)
Salaries paid	- (-)	504,500 (422,661)	- (-)	504,500 (422,661)
Rent paid	105,000 (40,000)	142,000 (76,000)	- (-)	247,000 (116,000)
Loans taken	- (-)	- (-)	3,800,000 (38,110,030)	3,800,000 (38,110,030)
Repayment of Loans taken	- (-)	- (-)	3,800,000 (49,110,030)	3,800,000 (49,110,030)
Purchases	- (-)	- (-)	1,676,650 (-)	1,676,650 (-)
Interest paid	- (-)	- (-)	- (816,700)	- (816,700)
<b>Balances outstanding at the end of the year</b>				
Trade Payables	456,230 (185,600)	212,054 (65,010)	137,818 (-)	806,102 (250,610)

Note: Figures in bracket relates to the previous year

## Note - 23 Additional information to the financial statements

Note	Particulars	31st March, 2012 (₹)	31st March, 2011 (₹)
23.1	<b>Contingent liabilities and commitments (to the extent not provided for)</b>		
(i)	Contingent liabilities		
	<b>(a) Claims against the Company not acknowledged as debt</b>		
	Demand Notice from Sales tax (Refer Note 23.18 below)	22,00,000/-	22,00,000/-
	Penalty – Sales tax - on the above demand notice	Not Determinable	Not Determinable
	<b>(b) Guarantees</b>		
	Mobilisation Bank Guarantee issued by Union Bank of India (Against this 25% margin money of ₹ 50,00,000/- in the form Fixed deposit with Union Bank of India has been earmarked and the same has been included in note 12)	2,00,00,000/-	1,50,00,000/-
	<b>c) Defect Liability period in respect of contracts executed</b>	Not Determinable	Not Determinable

## 23.2 Details of Long term borrowings (Secured)

## a) From Banks:

Name of the Bank	No of o/s Installments	Amount o/s	Secured by way of Hypothecation of
Indusind Bank Ltd	20 (32)	3,946,668 (6,145,295)	Nine 2516-Tipper
HDFC Bank Ltd.	50 (-)	819,643 (-)	Innova
HDFC Bank Ltd.	43 (55)	1,649,490 (2,018,992)	BMW
HDFC Bank Ltd.	44 (56)	403,270 (488,876)	Bolero SLE
HDFC Bank Ltd.	31 (43)	394,390 (503,168)	Bolero
HDFC Bank Ltd.	48 (58)	423,353 (500,000)	Bolero
HDFC Bank Ltd.	43 (56)	283,111 (343,160)	Tata Indica Vista
HDFC Bank Ltd.	18 (30)	285,418 (451,616)	Volkswagen Polo
Kotak Mahindra Bank Ltd.	16 (-)	5,432,073 (-)	Three Tata LPK 2518, 2 Mixer, 1 Excavator
Kotak Mahindra Bank Ltd.	26 (-)	1,323,771 (-)	Tata LPK 2518
Kotak Mahindra Bank Ltd.	26 (-)	1,629,998 (-)	JS 210 Excavator
Kotak Mahindra Bank Ltd.	46 (-)	34,695,285 (-)	Fifteen Tata Tipper
Kotak Mahindra Bank Ltd.	35 (-)	415,297 (-)	One Concrete Mixer
Kotak Mahindra Bank Ltd.	47 (-)	(530,000)	
Kotak Mahindra Bank Ltd.	25 (-)	425,971 (-)	One Concrete Mixer



# DIAMANT INFRASTRUCTURE LIMITED

## b) From Financial Institutions:

Name of the Financial Institutions		Amount o/s	Secured by way of Hypothecation of
Tata Capital Ltd.	22	1,082,293	Backho loader
	(34)	(1,599,523)	
Tata Capital Ltd.	27	843,404	Roller
	(-)	(-)	
Tata Capital Ltd.	20	997,390	Backho loader
	(32)	(1,323,038)	
L & T Finance Ltd.	26	861,185	Rock Breaker
	(-)	(-)	
L & T Finance Ltd.	35	1,721,730	Crain
	(-)	(-)	
L & T Finance Ltd.	35	950,711	Truck
	(-)	(-)	
L & T Finance Ltd.	13	878,401	PC - 200 Excavator
	(25)	(1,579,714)	
L & T Fin. Ltd.	13	2,209,375	Six Tata 2516 Tipper
	(25)	(3,974,066)	
SEFPL	32	61,934,318	Paver Finisher, Apollo Kerb Laying Machine-model KP 1200SF, Motor Grader, Wheel Loader, Palfinger crane, Soil Compactors, Excavator, Crusher.
	(6-47)	(18,975,713)	
SEFPL	32	58,654,953	Tandem Roller, Soil Compactor, Chassis, DG Set, Wet Mix Plant, Paver Finisher, Hot Mix Plant
	(17-47)	(10,749,841)	

**Note: Figures in bracket indicates previous years figures**

Further all the above borrowings are also secured either by way of guarantee by the promoter company M/s. Saboo Capital and Securities Pvt Ltd and/or personal guarantee of Mr. Naresh S. Saboo, Managing Director. Further, the secured borrowings are repayable over a period of 3 to 5 years.

## 23.3 Details of Short term borrowings (Secured)

### a) From Banks:

Name of the Bank	No of o/s installments	Amount o/s	Secured by way of Hypothecation of
ING Vysya Bank Ltd.	-	-	Five Highva Tipper
	12	(2,838,955)	
Kotak Mahindra Bank Ltd.	5	771,864	Three Tata Tipper
	(17)	(2,494,290)	

## b) From Financial Institutions:

Name of the Financial Institutions	No of o/s Installments	Amount o/s	Secured by way of Hypothecation of
L&T Finance Ltd.	8	3,522,444	Two Roller, Two Tata Tipper
	(-)	(-)	
L&T Finance Ltd.	4	1,245,501	Two Roller, Two Tata Tipper
	(-)	(-)	
L&T Finance Ltd.	6	629,706	Two Tata - 2518 Tipper
	(18)	(1,779,276)	
L&T Finance Ltd.	5	548,435	Two Roller
	(17)	(1,769,782)	
L&T Finance Ltd.	-	-	Roller 2
	(10)	(585,291)	
L&T Finance Ltd.	-	-	AL 2518 Tata 5 Tipper
	(9)	(2,312,904)	
L&T Finance Ltd.	-	-	Tata 407
	(7)	(109,096)	
Magma Fincorp Ltd.	7	90,740	Bolero Camper
	(19)	(230,599)	
Magma Fincorp Ltd.	-	-	Swaraj Mazda.
	(12)	(196,824)	
Tata Motor Finance Ltd.	6	98,064	Tata - 407 Diesel Tanker
	(18)	(278,035)	
Tata Motor Finance Ltd.	6	1,551,334	Five 2518-Tipper
	(18)	(4,407,916)	
Tata Motor Finance Ltd.	-	-	Tata 207
	(11)	(160,647)	

Note: Figures in bracket indicates previous years figures

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

23.4 Fund based Cash credit facility (sanctioned amount ₹ 700 lacs), adhoc limit of ₹ 100 lacs, non fund based Bank Guarantee Facility (sanctioned limit of ₹ 200 lacs) and LC Foreign facility ₹ 100 lacs from Union Bank of India is secured primarily by way of hypothecation of movable current assets of the company including stock of materials, work in progress, finished goods and whole of the company's bills outstanding, receivables, book debts and collaterally by mortgage of Flat at Mumbai and Nagpur and office premises at Nagpur in the name of the Managing Director, Mr. Naresh Saboo jointly with his wife Mrs. Madhu Saboo and pledge of 50,00,000 equity shares of ₹ 2/- each of the company held by the promoter company M/s Saboo Capital and Securities Pvt Ltd and also by personal guarantee of Mr. Naresh S. Saboo, Managing Director and Madhu Saboo, wife of Managing Director and corporate guarantee by the promoter company M/s. Saboo Capital and Securities Pvt Ltd.

23.5 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Micro, Small and Medium Enterprises in terms of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors. The Company has not received any instruction from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures if any, relating to amounts unpaid as at the yearend together with interest payable as required under the said Act have not been given.



# DIAMANT INFRASTRUCTURE LIMITED

## 23.6 Earnings per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

		31 March, 2012 (₹)	31 March, 2011 (₹)
<b>Total (continuing) operations for the year</b>			
Profit/(loss) after tax		14,480,903	26,896,589
Less : Dividends on convertible preference share & tax thereon		-	-
<b>Net profit/(loss) for calculation of basic/diluted EPS</b>	<b>(A)</b>	<b>14,480,903</b>	<b>26,896,589</b>
Weighted average number of equity shares in calculating basic EPS	<b>(B)</b>	<b>35,204,000</b>	<b>35,204,000</b>
<b>Earnings per share (EPS) (basic/diluted) (*)</b>	<b>(A/B)</b>	<b>0.41</b>	<b>0.76</b>

(\*) EPS has been worked out by the company without giving effect of the potential equity that shall emerge out of the conversion of the equity warrants since the company has not received the balance 75% of the commitment from the potential investors and hence there is no potential equity that needs dilution in the earnings per share. (Refer note 23.11 below)

## 23.7 Deferred Tax Asset/Liability (Net)

		31 March, 2012 (₹)	31 March, 2011 (₹)
<b>Deferred Tax Liability</b>			
On difference between book balance and tax balance of fixed assets		101,331	1,151,130
<b>Gross deferred tax liability</b>	<b>(A)</b>	<b>101,331</b>	<b>1,151,130</b>
<b>Deferred tax assets</b>			
On difference between book balance and tax balance of fixed assets		-	-
<b>Gross deferred tax assets</b>	<b>(B)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax Asset/(Liability) (Net)</b>	<b>(A - B)</b>	<b>101,331</b>	<b>1,151,130</b>

	31 March, 2012 (₹)	31 March, 2011 (₹)
<b>23.8 Value of imports calculated on CIF basis</b>	10,192,209	Nil
<b>23.9 Expenditure in foreign currency</b>	Nil	Nil
<b>23.10 Earnings in foreign exchange</b>	Nil	Nil

**23.11** The Company in the Extra Ordinary General Meeting (EOGM) of the company held on 24th December, 2010, had approved the issue and allotment of 37,00,000/- Warrants at ₹ 40/- per warrant convertible into Equity shares of ₹ 2/- each at a premium of ₹ 38/- per share in accordance with the provisions of the Companies Act, 1956 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 to promoters and non-promoters Accordingly, 25% of the total consideration of ₹ 14,80,00,000/- i. e ₹ 3,70,00,000/- has been received by the company and in-principle approval of the Mumbai Stock Exchange (BSE) for the same had also been obtained. The warrants were due for conversion into equivalent number of shares on payment of the balance amount at any time on or before 17th July, 2012. Since, the subscribers to the preferential allotment have failed to honour their balance commitment of 75%, the company is seeking an application with SEBI for relaxation in the strict compliance of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 Subject to the outcome of the application to SEBI, the amounts have been reflected as money received under Share warrants.

**23.12** Other loan and advances includes: a) ₹ 7,00,00,000/- (As at 31st March, 2011 ₹ 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 ₹ 1,32,50,000/- out of the total consideration of ₹ 7,00,00,000/- being outstanding to be paid by the company to the vendors on account of ongoing litigation. The outstanding amount has been fully provided for in the accounts.

- b) ₹ 3,87,29,381/- (As at 31st March, 2011 ₹ 6,00,00,000/-) receivable from M/s Tarangan Infraventures Private Limited (TIPL). The land development agreement with TIPL in the previous year to redevelop the property at Pune has been cancelled during the year due to non fulfilment of the obligation by TIPL as specified in the said agreement. The company has post cancellation of the agreement, received only part of the amount advanced in the previous year and had therefore entered into a Memorandum of Understanding (MOU) dated 13th October, 2011 with TIPL according to which interest @ 15% on such outstanding amounts shall be payable by TIPL from December 2011 till date of payment. Accordingly the company has recognised interest upto 31st March, 2012 aggregating to ₹ 18,65,979/- which has been included in other income in Note 15. The company is confident to recover the balance principal alongwith applicable interest from TIPL and hence the total amount o/s is good according to the management and no provisioning is required for the same.
- 23.13** 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 confirmation and/or reconciliation
- 23.14** In the opinion of the Board, assets other than fixed assets do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.
- 23.15** Uncertified contract revenue of ₹ 21,07,009/- 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.
- 23.16** 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".
- 23.17** The Company leases office under cancelable 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 ₹ 13,84,111/- and ₹ 7,39,580/- during the year ended 31st March, 2012 and 2011 respectively.
- 23.18** The sales tax department had in the previous year, raised a demand on the company for ₹ 22,00,000/-, against which the Company has preferred an appeal against the department with the Assistant Commissioner of Sales Tax (Appeals). The company has already deposited ₹ 10,50,000/- of the demand raised under protest. Based on the prevalent decisions 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 for the balance demand has been done.
- 23.19** The management has carried out the assessment on impairment of individual assets by working out the recoverable amount based on lower of the net realisable value and carrying cost during the period in terms of AS 28 on "impairment of Assets" issued by the Institute of Chartered Accountants of India. Accordingly, impairment loss of ₹ 26,77,395/- has been recognised in respect of various assets for the year.
- 23.20** The company has capitalised interest of ₹ 22,93,230/- paid on capital borrowed for acquisition of Plant and Equipment till the date of the asset being put to use in terms of the provisions of AS-16 "Borrowing Cost" issued by The Institute of Chartered Accountants of India.
- 23.21** The company has during the year reversed excess depreciation charged in the previous years aggregating to an amount of ₹ 2,07,611/-.
- 23.22** The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements for the period beginning from 1st April 2011 by virtue of the Notification No.653 (E) dated March 30, 2011. This has significantly impacted the disclosure and presentation made in the financial statements. The management has prepared the financial statements providing appropriate disclosures as required by the said revised Schedule VI and based on the various guidance notes issued in this regard. Accordingly previous year's figures have been regrouped/reclassified and re-instated wherever necessary to correspond with the current year's classification/disclosure as per the revised Schedule VI.



# DIAMANT INFRASTRUCTURE LIMITED

## Cash flow statement for the ended 31st March, 2012

Particulars	Note No	As at 31st March 2012 (₹)	As at 31st March 2011 (₹)
<b>Cash flows from operating activities</b>			
Net profit before tax		18,025,964	39,361,275
<b>Adjustments for</b>			
Add : Non Cash Item/items required to be disclosed separately			
Depreciation and amortisation expense		25,572,961	13,951,016
Impairment of Assets		2,677,395	-
Loss on sale / discard/ write off of assets		2,019,833	61,216
Finance cost		26,212,523	13,063,375
Interest income		(1,865,979)	(238,747)
Excess Depreciation w/back		(207,611)	-
Operating profit before working capital changes		72,435,086	66,198,134
<b>Changes in Working Capital:</b>			
Inventories		6,575,454	(6,999,272)
Trade Receivables		(539,093)	(260,511,006)
Other current assets		7,000,567	(71,468,633)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade payables		(62,130,762)	269,718,092
Other current liabilities		12,772,542	19,344,546
Profit generated from operations		36,113,794	16,281,861
Taxes paid (net of refunds)		(12,086,761)	(17,341,737)
<b>Net Cash generated from operating activities</b>	(i)	24,027,033	(1,059,876)
<b>Cash flows from investing activities</b>			
Capital expenditure on fixed assets, including capital advances		(150,598,930)	(34,322,454)
Proceeds from sale of fixed assets		8,342,856	560,000
<b>Net cash generated from investing activities</b>	(ii)	(142,256,074)	(33,762,454)
<b>Cash flows from financing activities</b>			
Proceeds from short-term borrowings		18,345,380	18,444,746
Proceeds from long-term borrowings		121,702,599	-
Proceeds from issue of share warrants		-	37,000,000
Interest Income		1,865,979	238,747
Finance cost		(26,212,523)	(13,063,375)
<b>Net cash generated from financial activities</b>	(iii)	115,701,435	42,620,118
Net changes in cash and cash equivalents	(i+ii+iii)	(2,527,605)	7,797,788
Cash and cash equivalents at the beginning of the year		9,401,440	1,603,651
<b>Cash and cash equivalents at the end of the year</b>		<b>6,873,835</b>	<b>9,401,440</b>

As per our report of even date

For Tushar Parekh and Associates  
Chartered Accountants  
(FRN: 117307W)

For and on behalf of the Board of Directors of  
Diamant Infrastructure Limited

CA Tushar Parekh  
Proprietor  
Membership No: 103230  
Place : Mumbai  
Date : 24th August, 2012

Naresh Saboo  
Managing Director

Kamlesh Prasad  
Director

**ATTENDANCE SLIP**

**DIAMANT INFRASTRUCTURE 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 Thirty Second Annual General Meeting of the Company on 29th September, 2012 at the registered office of the Company at 10.00 am.

Signature of the Shareholder / proxy \_\_\_\_\_

**PROXY FORM**

**DIAMANT INFRASTRUCTURE LIMITED**

**ANNUAL REPORT - 2011-2012**

I/We \_\_\_\_\_ of \_\_\_\_\_

Being a Member/Members

of DIAMANT INFRASTRUCTURE 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 Thirty Second Annual General Meeting of the Company to be held on 29th September, 2012 at 10.00 am. at the registered office of the Company and at any adjournment thereof.

AS WIHTNESS my hand/our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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 INFRASTRUCTURE LIMITED

To,

**Purva Sharegistry India Pvt. Limited**

Unit : Diamant Infrastructure Limited

No. 9, Shiv Shakti Industrial Estate, Ground Floor,

J. R. Boricha Marg, Lower Parel,

Mumbai - 400 011.

Dear Sir,

### Sub : Registration / Updation of Email

In view of the MCA Circulars bearing No. 17/2011 dated 21.04.2011 and Circular No. 18/201 dated 29.04.2011, I / we \_\_\_\_\_, son / daughter / wife of

\_\_\_\_\_, holding \_\_\_\_\_ shares of Diamant Infrastructure Limited (the "Company") bearing Folio No. \_\_\_\_\_ / DP ID \_\_\_\_\_ Client ID \_\_\_\_\_,

do hereby confirm that I / we wish to receive all future communications / requisite documents of the Company at the following E-mail ID :

E-mail ID : \_\_\_\_\_

You are requested to please update the same in your Book of Records.

Signature :

<b>Name of Sole / First Holder</b>	<b>Name of Second Holder</b>	<b>Name of Third Holder</b>

**Note :** The above Form duly filled in and signed by the Member/s may please be sent to the Purva Sharegistry

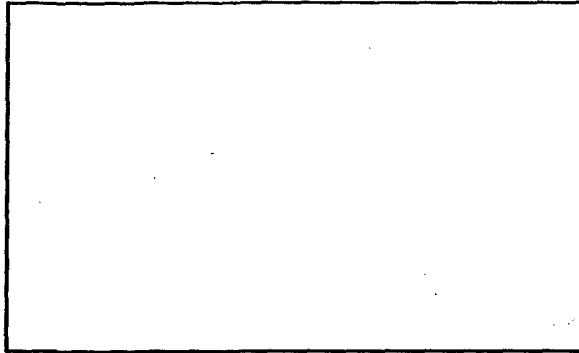
India Pvt Limited at the address given in the Form in the following manner.

- i) Go to [www.purvashare.com](http://www.purvashare.com) and select Registration of Physical Documents and fill details OR
- ii) Send email mentioning details / Scanned copy to [busicomp@vsnl.com](mailto:busicomp@vsnl.com) OR iii) By hand/post/courier

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**BOOK-POST**  
**(Printed Matter)**

**To,**



*If undelivered, please return to :*

**Diamant Infrastructure Limited**

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

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