

DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting their Annual Report together with the Audited Statement of Accounts for the Financial Year ended on 31st March, 2008. The Financial Highlights for the period under review are given below:

(1) FINANCIAL AND WORKING RESULTS :

<u>PARTICULARS</u>	2007-2008 (Rs.)	2006-2007 (Rs.)
Gross Profits	2,49,16,652	10650243.80
(Less): Depreciation & Finance charges	(960860)	(5740806.40)
PROFIT BEFORE TAXATION:	2,39,55,792	4909437.40
(Less): - Provision For Taxation	(1950000)	-
(Less): - Fringe Benefit Tax	(10827)	
NET PROFIT FOR THE YEAR	2,19,94,965	4909437.40
(Less): Balance Brought Forward from Previous year	(25857762)	(30767198.09)
BALANCE CARRIED FORWARD TO BALANCE SHEET	(38,62,797)	(25857761.69)

(2) DEPOSITS:

The Company has not accepted any deposits during the year within the meaning of the Companies (Acceptance of Deposits) Rules, 1975.

(3) OPERATIONS

Microsoft is leading Global provider of integrated software solutions for small and medium sized businesses. MICROSOFT software solutions are sold through as extensive network of more than 2,300 partners. Worldwide MICROSOFT has sold more than 1,33,000 solutions. The main product lines include MICROSOFT Dynamics, MICROSOFT NAV, MICROSOFT Ax and MICROSOFT CRM. MICROSOFT has 1200 employees and subsidiaries in 30 countries.

We at Diamond Infosystems Limited have the expertise and trained professionals to sell and implement the ERP products. Due to trained and qualified personnel, we are uniquely positioned to offer superior and distinctive services to our clients.

Your Company has also entered into the business of data technologies and in thus has started by undertaking data entry work for overseas client through their Indian Partners.

The operations of the Company now can be classified into following segments:

1. Software Development & Industry Solutions

The Company offers high end customized software for the small and medium enterprise and for the clients who are really growth and business driven. We offer compete services of selection, procuring, implementation and going live of MICROSOFT Products an ERP providing Company.

- **Enterprise Recourse Planning (ERP)**

Based on experience and expertise gained on implementation and maintenance of SAP, R/3 and ERP package now the Company equip to take scale assignment for AS-IS, TO-BE, GAP Analysis, Business reengineering, Customization, Implementation and going live. Basically this expertise and presence in the market has positioned as strategically in the market to sell and

implement the products offered by MICROSOFT India as MICROSOFT Certified Partner.

- **Customized Software**

The Company has developed in house prototypes for the small scale industry specifically which are not cost effective and flexible taking into consideration all the business needs for a stand alone environment as required by the customer. These packages are custom built and offer various functionalities in the areas of materials management, inventory management, payroll, financial accounting, management information system, billing invoicing stand alone software's. The software have been developed in house on various platforms and are being successfully sold and operation since last six years.

2. Networking and Hardware Solutions

The company has revived the business of hardware and networking solutions it had expertise of , the basic reason of reviving the sector was to offer the small and medium sector ERP customers for MICROSOFT products with one stop solutions to their hardware and networking needs along with the software.

- **Networking**

Total turnkey projects on local area network / wide area network includes setting of network operating systems, internet servers, web servers, proxy servers, remote access dialup.

- **Hardware**

As software developer, the company has simultaneously also gained substantial expertise for hardware developer and the Company expect to get good business in the years to come.

3. Data Technologies

Your Company has successfully completed 6 years of India's premier business to business portal catering to needs of electrical industry. The Company is proud to venture into and diversify seeing the potential and industry scenario into business of data technologies.

4. Web Technologies

Your Company, couple of years back head diversified into the E-Commerce industries by way of equity placement to Unit Trust of India, where in the Company sold its 11% stake to capitalized and diversify in the business of E-Commerce namely by Dot Com industry. The Company launch a premier B2B portal www.indiaelectricmarket.com. The viewer ship and number of visitors to the portal are enormous which amount to approximately Lac hits per month. This is to really and encouraging rate of number of its for B2B portal in present industry scenario. The target customer is a large electrical goods buyer, contractors, architects, consultants, dealers and distributors, corporate etc.

The Company basically has a revenue model that is based on modules like tender services, new project listings, news and views, resell markets, auctions, online exhibitions, i.e. all provided online via net. The specific area lead to need to educate the user customer with the concept itself, in the process company landed up with lot of orders for web designing. Since the Company's portal is up and running now for 306 years it only needs maintenance and updating. The spare expertise of the main power was thus used to provide the customer with web designing facilities, basically making web sites of the Companies or Corporate. The web sites normal size is 2 MB, 5 MB or 10 MB size. This lead the Company to provide the web designing from concept , drafts , approvals , designs , look and feel , navigation ease ,

uploading , launching and speed of web site basically complete portal management and support.

This has added one more product to the diverse range of operations of the Company portal management and web designing.

FUTURE PROSPECTS

Your Company sustains a relentless competitive focus as the economic climate is expected to remain challenging. Your Company will continue to deploy resources in a focused manner to secure stakeholder interest and pursue growth.

The future prospectus of the industry as on overall does not look good thus it is very important for us to sustain and try and look for new and better areas within the IT industry to survive and make the entity profitable and in the event we have decided to focus upon two areas.

These will over and above the existing operations of the company.

DIRECTORS

In accordance with the provisions of the Company's Article of Association, Mr. Amit. S. Bhatnagar and Mr. Suresh. N. Bhatnagar, the Directors of the Company retire by rotation at the ensuring Annual General Meeting of the Company and being eligible, offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT:

- (i) Your Directors have followed the applicable accounting standards alongwith proper explanation

relating to material departure, if any, while preparing the annual accounts;

- (ii) Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for the period;
- (iii) Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) Your Directors have prepared the annual accounts on a going concern basis.

AUDITORS:

M/s. Vijay N Tewar & Co., Chartered Accountants, Vadodara, Auditors of the Company retire at the conclusion of this Annual General Meeting and being eligible offer themselves for reappointment. You are requested to appoint Auditors and fix their remuneration.

CORPORATE GOVERNANCE

A separate section Corporate Governance and certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchange, forms part of the Annual Report.

PARTICULARS RELATING TO CONSERVATION OF ENERGY,

A. CONSERVATION OF ENERGY:

The Company does not have information required under Section 217 (I) (e) of the Companies Act, 1956 read with the Companies (Disclosures of Particulars in the Board of Directors) Rules, 1988 to offer and hence no particulars have been furnished.

B. FOREIGN EXCHANGE EARNING & OUTGO:

During the year, the Company has neither earned nor spent any foreign exchange during the year.

ACKNOWLEDGEMENTS:

Your Directors take opportunity to express their gratitude to SEBI, Stock Exchanges, Government Authorities, Bankers, Employees & Shareholders for their continued support and co-operation.

**FOR AND ON BEHALF OF THE BOARD
DIAMOND IONFOSYSTEMS LIMITED**

SD/-

CHAIRMAN

Place : Vadodara

Date : 05th September, 2008

AUDITORS' REPORT

To,
The Members of
Diamond Infosystems Ltd.
Baroda, Gujarat

We have audited the attached Balance Sheet of **Diamond Infosystems Ltd** (herein after referred to as the "Company") at 31st March, 2008 and also the annexed profit and loss Account and the cash flow statement for the financial 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 have conducted our audit in accordance with the auditing standards generally accepted in India. These 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 principal used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such check of the books and records of the Company produced before us and as considered appropriate by us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.

Further to our comments in the Annexure referred to in paragraph (1) above, we report that:

- 1) We have obtained all the information and explanation, which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- 2) In our opinion, the Company has kept proper books of account as required by law so far as it appears from our examination of the books and proper returns adequate for the purpose of our audit.
- 3) The Balance Sheet and Profit and loss Account dealt with by this Report are in agreement with the aforesaid books of accounts.
- 4) In our opinion, the Balance sheet and Profit and Loss Accounts of the company dealt with by this report, generally comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, subject to note 2(k) regarding non compliance with Accounting Standard 22 (Accounting for Tax on Income).



- 5) On the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2008 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the schedules and notes thereon, give the information required by the Companies Act, 1956, in the manner so required the give a true and fair view in conformity with the accounting principles generally accepted in India:
- I) In the case of balance sheet of the State of affairs of the Company as at 31st March 2008 and
- II) In the case of Profit & Loss Account, of the Profit for the year ended on that date.
- III) In the case of Cash Flow Statement, of the Cash Flow as on that date.

Place: Vadodara
Date: 5/9/08



For Vijay N Tewar & Co.
Chartered Accountants


Vijay N. Tewar
Proprietor
M. No.40676

ANNEXURE TO THE AUDITORS' REPORT

- 1 (a) The Company has maintained proper records showing all particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us, the physical verification of its fixed assets located at the plant have been conducted by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed between the book records and the physical inventory in respect of the assets.
(c) During the period under audit, the Company has not sold/disposed off substantial part of its Fixed Assets.

- 2 (a) Physical verification of inventory has been conducted by the management, however no record are available to show that the company had carried the physical verification during audit year.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of the business.
(c) We are unable to comment upon the records of the stock as they are not available to show.

- 3 (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during normal business transactions and also the company/firm under the same management and taking and giving payments as and when required
(b) In the absence of loan agreement we are unable to comment on this para, however as informed to us by the company such payment have been made by the company in the ordinary course of business and to the companies under the same management.
(c) As stated above in the Para (b) the loans have been granted to the companies under the same management the repayments have been made as and when required.
(d) As stated in the above Para (c) no overdue amount more than one lac can be worked out.
(e) No formal terms and conditions for payment of the principal amount and interest, so we are not in position to give our opinion that installment payments are regular or not.
(f) As stated in the point no.(e) above, we are unable to comment whether repayment of principal and interest was regular or not.



In our opinion and according to the information and explanations given to us by the management, there is adequate internal control system commensurate with the size of the company and nature of its business with regard to purchase of stores, raw materials including components, plant and machinery, equipment and other assets and for sales of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.

(a) The company has not entered into the particulars of contracts or arrangements required to enter into a register in pursuant section 301 of the Act.

(b) We are unable to comment whether these particulars of the contracts and arrangements have been made at a price which are reasonable having regard to prevailing market price at the relevant time, as we are not unable to compare it with the competitor price (This information is required only in case of transaction exceeding the value of five lacs rupees in respect of any party and in respect of any financial year).

As per the information given to us the company has not accepted any deposits from public; the unsecured loans accepted do not fall within the provisions of section 58A and 58AA of the Companies Act, 1956 and rules framed there under to the extent applicable.

The company has an audit system which, in our opinion, needs to be strengthened as regards its coverage to make it commensurate with its size and nature of business.

As informed to us the maintenance of cost record has not been prescribed by central government under section 209(1)(d) of the Companies Act 1956 in respect of the activities carried on by the company.

(a) According to the records of the Company, Provident Fund, Employee State Insurance, Investors Education & Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities save few instances, though the delays in deposits have not been serious.

(b) This Clause is not applicable.

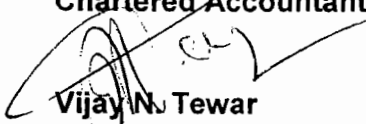
10 The Company has been registered for more than five years and its accumulated losses as at the year end are Rs.38.62 lacs and during the year the company has made profit of Rs.219.95 lacs.

11 The Company has not defaulted in repayment of dues to the financial institutions and bank or debenture holder as there are no such loans.



- 2 As explained to us, the company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or any other securities.
- 3 The provision of any special statute as specified under paragraph 4(xiii) of the order are not applicable to the company.
- a. Not Applicable.
 - b. Not Applicable
 - c. Not Applicable
 - d. Not Applicable
- 4 The company is not dealing or trading in shares, securities, debentures and other investments and hence the related reporting requirement is not applicable.
- 5 We are unable to know whether the company has given any guarantees against loans taken by others from banks and financial institutions. So we are not able to form our opinion on it.
- 6 No new loans have been raised during the period and hence, this clause does not apply.
- 7 According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment and no long term funds have been used to finance short term assets except permanent working capital.
- 8 According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the period.
- 9 No debentures have been issued during the year.
- 10 The company has not raised any money by public issue during the year.
- 11 According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Vijay N Tewar & Co.
Chartered Accountants


Vijay N. Tewar
Proprietor
M. No.40676



Place: Vadodara

Date: 5/9/08

DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LIMITED)
BALANCE SHEET AS AT 31ST MARCH, 2008

	Schedule	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
SOURCES OF FUNDS			
Share Capital			
Paid up Share Capital	1	58,850,000	58,850,000
Share Application Money		16,117,500	16,117,500
Reserve & Surplus	2		
General Reserve		146,067	146,067
Share Premium Account		46,735,000	46,735,000
Sources of Fund - Total		121,848,567	121,848,567
APPLICATION OF FUNDS			
Fixed Assets (Gross Block)	3		
Fixed Assets		51,980,070	51,967,520
Leased Assets		887,062	887,062
Fixed Assets - Total		52,867,132	52,854,582
Less: Depreciation Reserve		20,071,559	19,110,699
Fixed Assets (Net Block)		32,795,572	33,743,882
Investments	4	34,753,020	29,934,486
Current Assets, Loans & Advances	5		
Inventories		-	80,011,550
Sundry Debtors		613,342,697	77,962,826
Cash & Bank Balances		954,716	112,635,849
Loans & Advances		23,443,948	23,014,362
Current Assets, Loans & Advances - Total		637,741,361	293,624,587
Less: Current Liabilities & Provision	6		
Sundry Creditors		585,330,706	261,165,599
Provisions		1,973,477	146,551
Current Liabilities & Provision - Total		587,304,183	261,312,150
Net Current Assets / Liabilities		50,437,178	32,312,437
Miscellaneous Expenditure (To the Extent Not Written Off or Adjusted)			
Profit & Loss Account		3,862,797	25,857,762
Application of Funds - Total		121,848,567	121,848,567
Accounting Policies and Notes Forming part of Accounts	13		

As per our Report of even date
For **VIJAY N. TEWAR & CO.**,
CHARTERED ACCOUNTANTS

VIJAY N. TEWAR
PROPRIETOR

BARODA
DATE: 5/19/08



FOR & ON BEHALF OF THE BOARD

[Handwritten signatures]
CHAIRMAN MD DIRECTORS

BARODA
DATE

DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LTD)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2008

	Schedule	2007-08 Rs.	2006-07 Rs.
INCOME			
Gross sales		2,506,327,447	932,853,986
Less: Excise Duty		-	-
Less: Sales Tax		-	-
Net Sales		<u>2,506,327,447</u>	<u>932,853,986</u>
Other Income	7	1,328,825	427,604
Total Income		<u>2,507,656,272</u>	<u>933,281,590</u>
EXPENDITURE			
Material Consumed	8	2,478,562,818	918,975,608
Direct Exp.(Freight/Manuf/Rep.&Maint./Site Exp.)	9	1,184,105	199,997
Employees' Emoluments	10	2,137,547	1,470,147
Administration Expense	11	461,401	1,187,822
Selling and Distribution Exp.	12	236,751	691,130
Total Expenditure		<u>2,482,582,623</u>	<u>922,524,704</u>
Profit before Interest and Dep.		25,073,650	10,756,886
Less: Finance Charges		156,998	103,744
Less: Depreciation		960,860	5,740,806
Interest and Dep.-Total		<u>1,117,858</u>	<u>5,844,550</u>
Profit(Loss) before Tax		23,955,792	4,912,335
Provision for Income tax		1,950,000	-
Provision for Fringe Benefit Tax		10,827	2,899
Total Tax Provisions		<u>1,960,827</u>	<u>2,899</u>
Profit after Tax		21,994,965	4,909,436
Balance Brought Forward from Previous year		(25,857,762)	(30,767,198)
Balance Carried Forward to Balance Sheet		(3,862,797)	(25,857,762)

Accounting Policies and
Notes Forming part of Accounts

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As per our Report of even date
For **VIJAY N. TEWAR & CO.,**
CHARTERED ACCOUNTANTS


VIJAY N. TEWAR
PROPRIETOR

BARODA
DATE : 5/19/07



FOR & ON BEHALF OF THE BOARD


CHAIRMAN


MD


DIRECTORS

BARODA
DATE :

DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LIMITED)
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2008

	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
SCHEDULE - 1 : SHARE CAPITAL		
Authorised Share Capital	58,850,000	58,850,000
Authorised 1,00,00,000 Equity Shares of Rs. 10/- each.		
Authorised 1,00,000 Preference Shares of Rs. 100/ each.		
Authorised Share Capital -- Total	58,850,000	58,850,000
Issued, Subscribed and Paid up :		
3500000 Equity Shares of Rs. 10/- each (Previous Year 35,00,000 Equity Shares)	35,000,000	35,000,000
Preferential Allotment to-		
-UTI 7,25,000 Equity Shares	7,250,000	7,250,000
-Directors, Friends & Relatives, Promoters 16,60,000 Equity Shares	16,600,000	16,600,000
Share Capital -- Total	58,850,000	58,850,000
SCHEDULE - 2 : RESERVES & SURPLUS		
(A-1) SECURITIES PREMIUM		
Shares Premium	46,735,000	46,735,000
Securities Premium -- Total	46,735,000	46,735,000
(B) GENERAL RESERVE		
General Reserve	146,067	146,067
General Reserve -- Total	146,067	146,067
Reserves & Surplus -- Total	46,881,067	46,881,067
SCHEDULE - 4 : INVESTMENTS		
Long Term Investments		
(A) Investments in Quoted Shares		
EISL Ltd USA	728,022	908,600
Equity Shares of Diamond Cables Ltd.(Cert.by Mgt)	13,086,400	13,086,400
Investments in Quoted Shares -- Total	13,814,422	13,995,000
(B) Other Investments		
Other Investments	20,938,597	15,939,486
Other Investments -- Total	20,938,597	15,939,486
Investments -- Total	34,753,020	29,934,486



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LTD)

SCHEDULE - 3 : FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK		
	OPENING BALANCE AS ON 1-4-2007	ADDITION DURING THE YEAR	DEDUCTION DURING THE YEAR	CLOSING BALANCE AS ON 31-3-2008	OPENING BALANCE AS ON 1-4-2007	RATE OF DEPR.	DEPRECIATION DURING THE YEAR	DEDUCTION OF SOLD ASSETS	CLOSING BALANCE OF DEPRERES. ON 31-3-2008	CLOSING BALANCE AS ON 31-3-2007	CLOSING BALANCE AS ON 31-3-2008
EIS DIVISION	33,394,000	-	-	33,394,000	7,553,723	11.31	-	-	7,553,723	25,840,277	25,840,277
OFFICE EQUIPMENT	639,036	-	-	639,036	321,808	7.07	45,180	-	366,988	272,048	317,228
COMPUTERS	8,631,188	10,000	-	8,641,188	8,222,483	16.21	410,117	-	8,632,601	8,587	408,704
FURNITURE & FIXTURE	3,262,007	2,550	-	3,264,557	971,515	6.33	206,646	-	1,178,161	2,086,395	2,290,492
VEHICLES	183,350	-	-	183,350	182,113	9.50	1,237	-	183,350	-	1,237
BUILDING	4,206,807	-	-	4,206,807	877,883	3.34	140,507	-	1,018,391	3,188,417	3,328,924
ELECTRICAL INSTALLATION	543,533	-	-	543,533	165,095	4.75	25,818	-	190,913	352,620	378,438
CALL CENTRE ASSETS	1,107,599	-	-	1,107,599	251,130	7.07	78,307	-	329,437	778,162	856,469
SUB TOTAL	51,967,520	12,550	-	51,980,070	18,545,751		907,813	-	19,453,564	32,526,506	33,421,769
LEASE ASSETS											
BUILDING	136,000	-	-	136,000	44,874	3.34	4,542	-	49,417	86,583	91,126
COMPUTERS	65,000	-	-	65,000	65,000	16.21	-	-	65,000	-	-
EQUIPMENTS	686,062	-	-	686,062	455,074	7.07	48,505	-	503,579	182,483	230,988
SUB TOTAL	887,062	-	-	887,062	564,948		53,047	-	617,995	269,067	322,114
GRAND TOTAL	52,854,582	12,550	-	52,867,132	19,110,699		960,860	-	20,071,559	32,795,572	33,743,882

NOTE: Depreciation is not charged on Intangible assets during the year as per instruction of management



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LIMITED)

	As at 31-3-2008 Rs.	As at 31-3-2007 Rs.
SCHEDULE - 5 : CURRENT ASSETS, LOANS & ADVANCES		
(A) CURRENT ASSETS		
(A-1) Inventories at Cost(As Certified by Management)		
Raw Materials	-	-
Work in Progress	-	-
Finished Goods	-	80,011,550
Inventories at Cost --- Total	-	80,011,550
(A-2) Sundry Debtors (Unsecured Considered Good)		
Trading Customer	1,185,447,137	115,795,443
Other Customer	(572,104,440)	(37,832,617)
Sundry Debtors -- Total	613,342,697	77,962,826
(A-3) Cash & Bank Balance		
Cash in Hand	10,699	2,561
Bank Balance	644,017	112,333,288
Fixed Deposit	300,000	300,000
Cash & Bank Balance -- Total	954,716	112,635,849
Current Assets -- Total	614,297,413	270,610,226
(B) Loans & Advances (Unsecured Considered good)		
(B-1) Loans		
Cash or Kind		
Staff	-	10,640
Loans -- Total	-	10,640
(B-2) Government Advances		
Tax Deducted at Source	-	6,677
Income Tax	509,832	91,106
Government Advances -- Total	509,832	97,783
(B-3) Corporate Advances		
Diamond E.H.V. Conductors	3,050	3,000
Diamond Project (P).Ltd (L & A)	24,127	-
Corporate Advances -- Total	27,177	3,000
(B-4) Other Advances		
Other Advances	13,490	13,490
Other Advances -- Total	13,490	13,490
Loans & Advances -- Total	550,499	124,913
(C-1) Sundry Deposits		
Lease Rent	1,500,000	1,500,000
Other Deposits	21,393,449	21,389,449
Sundry Deposits -- Total	22,893,449	22,889,449
Current Assets, Loans & Advances --- Total	637,741,361	293,624,587



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LIMITED)

	<u>As at 31-3-2008 Rs.</u>	<u>As at 31-3-2007 Rs.</u>
SCHEDULE - 6 : CURRENT LIABILITIES & PROVISIONS		
(A) CURRENT LIABILITIES		
(A-1) Sundry Creditors		
Creditors for Goods	579,287,100	259,405,089
Creditors for Expenses	-	-
Sundry Creditors -- Total	579,287,100	259,405,089
(A-2) Creditors for Others		
Duties & Taxes Payable	4,538,425	308,500
Statutory Liability Payable	-	-
Employee Dues Payable	-	-
Creditors for Others -- Total	4,538,425	308,500
(A-3) Other Liabilities Payable		
Lease Liabilities	-	-
Other Liabilities Payable	1,505,181	1,452,010
Other Liabilities Payable -- Total	1,505,181	1,452,010
Current Liabilities -- Total	585,330,706	261,165,599
(B) PROVISIONS		
Provision for Taxation	1,950,000	-
Provision for Expenses	23,477	146,551
Provisions -- Total	1,973,477	146,551
Current Liabilities & Provisions -- Total	587,304,183	261,312,150



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LTD)

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR THE YEAR 2007-08

	2007-08 Rs.	2006-07 Rs.
SCHEDULE - 7 : OTHER INCOME		
Provisions / Bad Debts Written Back/ Excess	12,000	-
Discounts / Kasar Received	2,667	-
Income from Rent	1,224,000	353,216
Interest Received	29,382	-
Notice Pay Recovered	41,206	41,272
Claim Received	-	9,000
Other Income	19,570	24,116
Other Income -- Total	1,328,825	427,604

SCHEDULE - 8 : NET RAW MATERIAL CONSUMED

Opening Stock	-	-
Add: Purchases	2,478,562,818	918,975,608
Less: Closing Stock	-	-
Net Rawmaterial Consumed -- Total	2,478,562,818	918,975,608

SCHEDULE - 9 : DIRECT EXPENSES

Freight Inward	1,052,628	-
Freight Outward	700	-
Internet Services(Exp.)	80,613	199,997
Post & Telephone(Call Centre)	50,164	-
Direct Expenses -- Total	1,184,105	199,997



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LTD)

	2007-08 Rs.	2006-07 Rs.
SCHEDULE - 10 : EMPLOYEES EMOULMENTS		
Administration Charges (PF & EDLI)	6,580	4,116
Co's Contribution to L.W.F	108	44
Co's Contribution to ESI	22,330	37,708
Co's Contribution to FPF	41,850	21,193
Co's Contribution to Prov. Fund	93,047	12,796
Conveyance Allowance	173,227	90,262
Education Allowance	158,225	83,997
Ex-Gratia	7,402	
H. R. A.	225,977	118,255
Incentive	34,117	45,501
Leave Encashment	6,594	5,060
Livries	26,371	13,996
L. T. A.	210,968	111,991
Medical Allowance	128,217	71,475
Newspaper Allowance	26,372	13,996
Salary Expenses	769,860	568,547
Special Allowance	26,001	
Stipend	124,225	161,561
Travelling Allowance	30,227	40,334
Staff Welfare Expense	25,849	69,315
Employees Emoulements -- Total	2,137,547	1,470,147



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LTD)

	2007-08 Rs.	2006-07 Rs.
SCHEDULE - 11 : ADMINISTRATIVE EXPENSES		
Advertisement Expenses	-	26,783
Audit Fees	-	30,000
Books & Periodical Expense	3,433	13,217
Consultancy Charges	81,833	65,844
Conveyance Expense	34,822	5,809
Courier Charges	1,207	-
Electrical Expenses	450	7,620
Electricity Expenses	156,413	176,397
Legal and Professional Exp.	71,944	29,676
Loss On Sale of Zerox Machine	-	35,755
MEDICAL EXPENSE	11,154	806
Membership & Subscription	1,000	16,088
Miscellaneous Expense	973	12,526
Office Expenses	7,207	7,797
Postage & Telephone Expenses	-	30,364
Printing & Stationary Expense	10,000	20,562
Recruitment Expenses	4,000	-
Rent , Rates & Taxes	25,229	127,813
Repair and Maintenance (Others)	18,830	57,011
Repairs Building	18,406	511,442
Sitting Fees	12,000	12,000
Tution Fees	2,500	-
Vehicle Running Expenses	-	312
Administrative Expenses -- Total	461,401	1,187,822



DIAMOND INFOSYSTEMS LIMITED
(FORMERLY KNOWN AS ENTERPRISE INTELLIGENT SYSTEMS LTD)

	2007-08 Rs.	2006-07 Rs.
SCHEDULE - 12 : SELLING & DISTRIBUTION EXPENSES		
Brokerage Paid	-	51,000
Carting Charges	750	200
Freight Charges Paid	1,560	-
Insurance Expenses	8,233	2,833
Octroi Paid	2,764	5,298
Service Charges	223,444	623,257
Toll Tax	-	60
Training Expenses (Marketing)	-	8,482
Selling & Distribution Expenses -- Total	236,751	691,130



SCHEDULE ANNEXED TO AND FORMING PART OF THE ACCOUNTS

13. SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Part – A Statement of significant accounting policies

1. Method of Accounting: The Financial statements are prepared as a going concern under historical cost convention on an accrual basis except those with significant uncertainty and in accordance with the companies Act, 1956. Accounting policies not stated explicitly otherwise are consistent with generally accepted.
2. Revenue Recognition: Sales includes revenue generated from sale Software, Hardware Products, sale of scrap, sales of outsource products, sales tax and service income from membership & subscription of domain and space booking.
3. Fixed Assets: Fixed Assets are stated at cost (inclusive of leased assets) less accumulated Depreciation. Expenditure included on improvement or replacement, which in the opinion of the management is likely to substantially increase the life of assets and future benefits from it, is capitalized.
4. Depreciation : Depreciation is charged on Straight Line basis at rates specified in schedule XIV of the Companies Act,1956. Depreciation on addition/Deletion or Discarded Fixed Assets during the year is charged on monthly pro rata basis.
5. Investment: Investments are Long Term investment and nature of investments are quoted shares of Limited Company, valued at cost..
6. Inventories: Inventories of outsource products are valued on FIFO method certified by the management.
7. Retirement Benefits: Contribution to provident fund is accounted on actual liability basis. Liabilities on gratuity and Leave Encashment are booked on accrual basis.
8. Miscellaneous Expenditure: Preliminary and share issue expenses including fee for increase in authorized capital are written-off at the amounts as admissible under income tax Act, 1961.
9. Foreign Currency Conversion: During the financial year there is no exchange difference either on account long term liabilities incurred for acquisition of fixed assets nor translating financial statements of foreign operations.
10. Income Tax : Provision for Current Income Tax is made after considering Company's claims under the Income Tax Act, 1961. This liability is calculated at the applicable tax rate or Minimum Alternate Tax rate under section 115JB of the Income Tax Act, 1961 as the case may be.



Deferred tax is calculated at the tax rates and laws that have been enacted or substantially enacted as of the Balance Sheet date and is recognized on timing differences that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognized and carried forward only to the extent that they can be realised.

The tax liability on account of Fringe Benefits is provided as per the provisions of section 115VA of the Income Tax Act, 1961.

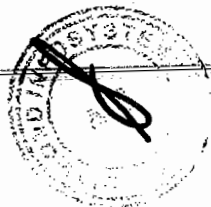
11. Contingent Liabilities : Contingent liabilities are not provided in the accounts and are disclosed separately by way of notes forming part of accounts

Part B – Notes to Accounts :

1. Contingent Liabilities:

Contingent Liabilities of the Company at the end of the year is Nil, as Company had not enjoyed any Letter Of Credit/ Bank Guarantee facility of any commercial/ Financial Institution nor any civil/criminal case is pending against company.

2. The Company has received share application money amounting Rs.1,61,17,500.00 and shares are still to be allotted.
3. The name of the Company has been changed from Enterprise Intelligent Systems Limited to Diamond Infosystems Limited vide certificate dated 8-08-2008 issued by Registrar of Companies, Gujarat.
4. Balances of sundry debtors, creditors and loans and advances, unsecured loans are unconfirmed and subject to reconciliation wherever necessary.
5. In the opinion of the management, all the current assets, Loans and advances and deposits are realizable at value stated in the ordinary course of the business which are at least equal to the amount at which they are stated in the books unless otherwise explicit.
6. There are no small scale industrial units which has supplied the material to the company and owes a sum exceeding Rs. 1 Lac and which is outstanding to more then 30 days.
7. Previous year figures are regrouped /reclassified to make them comparable with the current year.
8. The Company has unabsorbed depreciation & Carried forward losses under Tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax assets has not been recognized by way of prudence in accordance with accounting standard (AS) 22-"Accounting for Taxes on income" issued by the institute of Chartered Accountants of India.



9. Segment reporting:

I.T. Business Rs.	Outsource Activities Rs.	Total Rs.
7034729	2499292718	2506327447

The Company operates business of. "I.T. business" & out source business", the activities of the business are inter-connected / inter-mixed, hence it is no possible to directly attribute or allocate on a reasonable basis the expenses / assets and liabilities to these segments as per requirement of Accounting standard (AS) 17-"segment Reporting" issued by the Institute of Chartered Accountants of India.

10. Earning per share (EPS)

Particulars		31/03/2008	31/03/2007
Profit/(Loss) attributable to the shareholders (Rs.in lacs)			
- After exceptional item	A	21994965.00	4909436.00
- Before exceptional item	B	21994965.00	4909436.00
Basic/Weighted average number of Equity shares outstanding during the year	C	58,85,000	58,85,000
Nominal value of Equity Shares (Rs.)		10	10
Basic /Diluted Earning per Share (Rs.)			
- After exceptional item	A/C	(3.74)	(0.83)
- Before exceptional item	B/C	(3.74)	(0.83)

11. Related Party Disclosures

(Rs.in Lacs)

Particulars	Associate	Key Mngt. Personal	Relative of key Mgt. personnel	Enterprise under significant Mgt personnel or their relatives	TOTAL
Purchase / Sale of goods	20086.76/12966.34	Nil	Nil	Nil	7120.42
Receipt rendering services	10.11	N	Nil	Nil	10.11
Rent paid advances recd./	6.12	Nil	Nil	Nil	6.12
Given Consultancy fees	Nil	0.12	Nil	Nil	Nil
Outstanding receivables (Net) as on 31.3.2008	6338.63	52.02	169.11	0	0



Name of Related parties:

1. Associate : Diamond Cables Ltd, Diamond Projects Pvt. Ltd.
2. Key Management Personnel :
Mr. S.N. Bhatnagar (Chairman)
Mr. Amit Suresh (M.D)
Mr. Sumit Suresh (J.M.D)S
3. Relatives of key Managerial personal : None
4. Enterprises under significant influence of key management personnel or their relatives:-
Sumit Associates

SIGNATURES TO THE SCHEDULES 1 TO 13

"As per our Report of even date"
For Vijay N. Tewar & Co.
Chartered Accountants

FOR & ON BEHALF OF THE BOARD OF DIRECTORS


Vijay N. Tewar
Proprietor


Chairman


MD


Directors

Place: Baroda

Date:



12 Information pursuant to Part IV of Schedule VI of the Companies Act, 1956
Balance Sheet abstract and Company's General Business Profile.

i) Registration Details : L24110GJ1993PLC019094 State Code : 04

Registration No.
Balance Sheet 31 03 2008
Date Month Year

ii) Capital raised during the year (amount in Rupees Thousand)

Public Issue	Nil	Right Issue	Nil
Bonus Issue	Nil	Private Placement Rs.	Nil

iii) Position of Mobilisation and deployment of funds (amount in Rupees Thousand)

Total Liabilities		Total Assets	
Rs. 121,849		Rs. 121,849	

Sources of Funds :

Paid up Capital		Reserve & Surplus	
Rs. 58,850		Rs. 46,881	

Secured Loans

Rs. -	Unsecured Loans	
	Rs. -	

Application of Funds :

Net Fixed Assets		Investment	
Rs. 32,796		Rs. 34,753	

Net Current Assets

Rs. 50,437	Miscellaneous Expenses	
	Rs. 3,863	

Accumulated Losses Rs. (3,863)

iv) Performance of Company (amount in Rupees Thousand)

Turnover		Total Expenditure	
Rs. 2,506,327		Rs. 2,482,583	

Profit/Loss before Tax

Rs. 23,956	Profit/Loss after Tax	
	Rs. 21,994.96	

Earning per Share Rs. -

Dividend Rate Nil

v) Generic names of three principal products/services of Company (as per Monetary Terms)

Item Code No. (ITC Code) :
Product/Service Description :

SIGNATURE TO SCHEDULE 1 TO 13

For VIJAY N. TEWAR & CO.,
CHARTERED ACCOUNTANTS

VIJAY N. TEWAR
PROPRIETOR
M.NO. 40676

PLACE : BARODA
DATE :

FOR & ON BEHALF OF BOARD

CHAIRMAN

MD

DIRECTORS

