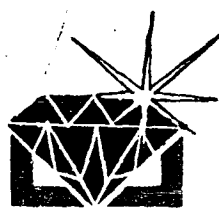


**FOURTEENTH ANNUAL REPORT  
2007-2008**



**LASER DIAMONDS LIMITED**

# LASER DIAMONDS LIMITED

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## BOARD OF DIRECTORS

1. Mr. Lalit Kumar Samdaria
2. Mr. Rikhab Chand Samdaria
3. Mr. Sharad Parekh
4. Mr. S. Goutham

## BANKERS

1. ABN Amro Bank,  
No.19/1, Haddows Road, Nungambakkam, Chennai-600 006.

## AUDITOR

M/s Bharat Kumar N. Jain  
Chartered Accountants  
376, Mint Street, 2nd Floor  
Chennai - 600 079.

## REGISTERED OFFICE

No. 41, Veerappan Street,  
Sowcarpet,  
Chennai - 600 079.

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# LASER DIAMONDS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Company will be held on Monday the 29<sup>th</sup> day of September 2008 at 10:30 AM at "RAGAAS" No:47, 1<sup>st</sup> Avenue, Shastri Nagar, Chennai - 600020 for transacting the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Profit and Loss account of the Company for the financial year ended 31.03.2008 and the balance sheet as at 31.3.2008 together with the director's report and auditor's report thereon.
2. To appoint Director in place of Mr. Rikhabchand Samdaria who retires by rotation being eligible offer himself for reappointment.
3. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company at a remuneration to be decided by the Board of Directors.

### SPECIAL BUSINESS:

4. To appoint Mr. Sharad Parekh as a director who was appointed as an additional director during the year and who holds the office upto the Date of the forthcoming Annual General Meeting and for this purpose to consider and if thought fit to pass with or without modification the following as an Ordinary Resolution. (Notice of Intention to move the same having been received from a Member alongwith a deposit of Rs.500 under section 257 of the companies act, 1956.

"RESOLVED THAT Mr. Sharad Parekh be and is hereby appointed as a Director of the company, liable to retire by rotation".

Date : 30.8.2008  
Place : Chennai

By Order of the Board  
for Laser Diamonds Limited  
RIKHABCHAND SAMDARIA  
Sd/-  
Director

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF/HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
2. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
3. Members desirous of getting any information about the accounts and operation of the Company are requested to address their query to the Company at the registered office of the Company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.
4. The Register of Members of the Company will remain closed from 23.09.2008 to 29.09.2008. (Both days inclusive)
5. The Members are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited, Subramaniam Building, No. 1 Club House Road, Mount Road, Chennai-600 002, change of address if any at the earliest quoting their registered folio number.
6. The Explanatory statement pursuant to section 173(2) of the companies act, 1956 is annexed hereto:

### EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT 1956

Mr. Sharad Parekh was appointed as additional director at the Meeting of Board of directors held on 10th October 2007 and hold the office upto the date of the Annual General meeting. Notice has been received from a member proposing Mr. Sharad Parekh as candidate for the office of the director.

None of the directors are interested in the above resolution.

Date : 30.8.2008  
Place : Chennai

By Order of the Board  
for Laser Diamonds Limited  
RIKHABCHAND SAMDARIA  
Sd/-  
Director

# LASER DIAMONDS LIMITED

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## DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 14th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2008.

### FINANCIAL RESULTS

	(Rs.in '000)	(Rs.in '000)
	Year ended	Year ended
	31.03.2008	31.03.2007
	(Audited)	(Audited)
Income	15890.49	21240.70
Total Expenditure	14634.19	19212.04
FBT	18.09	28.38
Nett Profit/Loss	1238.21	2000.28

### DIVIDEND:

Your directors have not recommended any dividend during the year.

### Operation and Business performance:

Kindly refer to Management Discussion & Analysis covered under corporate governance and forms part of this Annual Report.

### Business Operation:

The operations of the company is satisfied. During the year, the sales volume has reduced when compared with the previous year. This is due to sluggish in the International Diamond market. Your directors are hopeful that the market will improve in the coming years. The company is continuing its Export activities.

There is no manufacturing activities carried out during the financial year 2007-08. Hence no depreciation is being provided on Machinery.

Trading of Diamonds are good at present and hence the management has decided to concentrate on this.

As required under Corporate Governance, the Management's Discussion and Analysis Report which is forming part of this report, is a reflection of the current state of business. It also deals with the opportunities and challenges faced by your Company and the outlook in future.

### STATUTORY DISCLOSURES:

The company had no employee covered by the provisions of section 217(2A) of the Companies Act, 1956. The company has no activity relating to Conservation of Energy, or Technology Absorption. There was no foreign exchange outflow but had a foreign exchange inflow of Rs.158.89 lacs (PY. Rs.200.48 lacs) during the year.

### DEPOSITS :

The Company has not accepted any deposit from the public.

### DIRECTORS :

Mr. Rikhabchand Samdaria retires by rotation and offer himself for reappointment.

# LASER DIAMONDS LIMITED

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## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, it is hereby confirmed:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures to the extent possible ;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profit or loss of the Company for the year ended 31st March, 2008;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Director had prepared the annual accounts on a going concern basis.

## Auditors

Mr. BHARAT KUMAR .N.JAIN , Chartered Accountant, Chennai, Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer himself for reappointment.

## Corporate Governance

Your company has always followed the philosophy of conducting the business with due compliance of law, regulations and sound internal control systems and procedures.

The company has complied with all the mandatory requirements of corporate Governance norms as enumerated in the Listing Agreement with the Stock Exchange to the extent possible by it . A report of compliance of Corporate Governance is annexed together with a Certificate from the auditors and CEO of the company on compliance.

## General

Your Board of Directors is grateful to the Bankers, Suppliers, Customers and the shareholders for the support extended from time to time. Your Board of Directors also wish to place on record the whole hearted cooperation given by employees, at all levels, during the year.

Date : 25.08.2008

Place : Chennai

for Laser Diamonds Ltd.

Sharad Parekh

Sd./-  
Director

Rikhabchand Samdaria

Sd./-  
Chairman

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Annexure-A)

### 1. OVERALL REVIEW

The overall view of the company's performance is so filed and the company has taken necessary steps to wipe out the accumulated losses. The company has also taken necessary steps to revoke the suspension of Trading activities at Bombay Stock Exchange.

### 2. INDUSTRY OUTLOOK

We do not foresee any major change in the year 2008-09 as the industry faced the same kind of pressure. This trend is expected to continue.

### 3. OPPORTUNITIES

The Trading activities in these business are more profitable and presently the company is concentrating on trading and exporting of Diamonds.

### 4. CHALLENGES

Pending Legal Suits , Tight Financial Conditions , margins under pressure and financial condition of the company to be improved , these are the few challenges before the company.

### 5. COMPANY OUTLOOK

The Company is though financially weak but is certainly if can improve the pending issue are resolved .

## LASER DIAMONDS LIMITED

### 6. RISK AND CONCERNS

Prices of raw stones , legal issues , Processing cost ETC. are few concerns which has to be addressed from time to time .

### 7. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company have adequate internal control mechanism commensurating with the size of operations of the company. The management continuously reviews the internal control system and procedures. Critical review is also done to reduce non value added paper work.

### 8. CAUTIONARY STATEMENT

Certain statements in this report on "Management's Discussion and Analysis" are forward looking statements and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged

## STATEMENT AND REPORTS ON CORPORATE GOVERNANCE:

### A MANDATORY REPORTS ON CORPORATE GOVERNANCE:

#### I. Company's Philosophy on Corporate Governance:

The Company's philosophy is aimed at exhibiting maximum transparency to the Investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the Investors and other Statutory Authorities to whom these Reports are addressed to:

#### II. BOARD OF DIRECTORS:

Name	Designation	Category	No of Board Meetings attended during 2007-08	Whether attended the Last AGM	No of Directorships in public companies	No of other Board committees in which he/she is Member or Chairperson
Mr. Lalit Kumar Samdaria	Director	Executive	7	Yes	Nil	Nil
Mr. Rikhabchand Samdaria	Director	Executive	7	Yes	Nil	Nil
Mr. S. Goutham	Director	Non-Executive	7	Yes	Nil	Nil
Mr. Sajjanchand	Director	Non-Executive	5	Yes	Nil	Nil
Mr. Sharad Parekh	Director	Non-Executive	4	Nil	Nil	Nil

Mr. Sajjanchand has resigned from the Directorship with effect from 10th October 2007.

Mr. Sharad Parekh has been appointed as Additional Director with effect from 10th October 2007.

#### BOARD MEETINGS:

Seven Board Meeting were held on the following dates:

19.4.2007, 31.7.2007, 25.8.2007, 31.8.2007, 10.10.2007, 31.10.2007, 7.1.2008 and 31.1.2008.

None of the Directors is member in more than 10 committees or acting as Chairman of more than Five Committees.

#### III. AUDIT COMMITTEE:

##### Constitution:

The Committee consists of 3 Directors.

1. Mr. S. Goutham - Chairman
2. Mr. Sharad Parekh - Director
3. Mr. Rikhab Chand Samdaria - Director

The Committee is chaired by Mr. S. Goutham

## LASER DIAMONDS LIMITED

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### TERMS OF REFERENCE:

The charter of the committee is as prescribed under clause 49 of the Listing Agreement viz.,

1. Oversight of Company's Financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval of any other services.
3. Reviewing with the management the annual financial statements before submission to the Board focusing primarily on:
  - i) Any changes in accounting policies and practices.
  - ii) Major accounting entries based on exercise of judgment by Management.
  - iii) Qualification in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The "Going Concern" assumption.
  - vi) Compliance with Accounting Standards.
  - vii) Any related party transaction i.e., transaction of the company of material nature with promoters of the management and their subsidiaries or relatives etc., that may have potential conflict with the interest of the company at large.
4. Reviewing with management, external and internal audit function including the structure of internal control system.
5. Reviewing the adequacy of internal audit function including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
6. Discussing with internal auditors any significant findings and follow up thereon.
7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud and irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
8. Discussing with the external auditors before the audit commences, nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
9. Reviewing the company's financial and risk management policies.
10. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.

### Meetings and attendance:

The Audit committee met 4 (four) times during the year i.e., on 19.4.2007, 31.7.2007, 31.10.2007 and 31.1.2008 and all the directors have attended the meetings.

### IV. REMUNERATION COMMITTEE:-

#### Constitution:

The Committee consists of 3 (Three) directors.

1. Mr. S. Goutham - Director
2. Mr. Sharad Parekh - Director
3. Mr. Rikhab Chand Samdaria - Director

The committee is headed by Mr. Sharad Parekh

### TERMS OF REFERENCE:

The Remuneration committee has been constituted to recommend and review the remuneration packages of the Directors and to formulate a broad policy for management remuneration.

#### Remuneration Policy:

The Remuneration Policy as outlined by the committee aims at recognizing and rewarding performances and achievements, while fixing the remuneration of Directors, their contribution by way of their professional. This policy is in tune with current national and international practices.

#### Meetings and Attendances:

During the year 2007-08, the committee met once i.e. on 19.4.2007.

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## LASER DIAMONDS LIMITED

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### Details of Remuneration of Directors:

No remuneration has been paid to any Director.

### V. SHARE HOLDERS COMMITTEE:

#### Constitution:

The Committee consists of 3 (Three) Directors.

1. Mr. Lalit Kumar Samdaria - Director
2. Mr. S. Goutham - Director
3. Mr. Sharad Parekh - Director

The Committee is headed by Mr. Lalit Kumar Samdaria

Name and designation of the Compliance Officer: Mr. Lalit Kumar Samdaria

Pending Share Transfers: There are no pending transfers.

Details of the last three AGMs held are given below:

Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions passed at AGM
28.09.2007 13th AGM	10.30 a.m.	"RAGAAS" No.47,1 <sup>st</sup> Avenue, Shastri Nagar, Chennai-600 020	Nil
28.09.2006 12th AGM	10.30 a.m.	"RAGAAS" No.47,1 <sup>st</sup> Avenue, Shastri Nagar, Chennai-600 020	Yes
30.09.2005 11th AGM	10.30 a.m.	"RAGAAS" No.47,1 <sup>st</sup> Avenue, Shastri Nagar, Chennai-600 020	Nil

No special resolution has been passed by way of postal ballot.

### VII. DISCLOSURES:

There are no materially significant transaction made by the company with its promoters, the directors or the Management, their subsidiaries or relatives etc., which require separate disclosure. No penalties / strictures have been imposed on the company by any regulatory authority for non - compliance of any law.

### VIII. MEANS OF COMMUNICATIONS:

#### Quarterly Results:

The Company has published its quarterly Financial Results regularly

Company e.mail ID : [laserdiamonds@yahoo.co.in](mailto:laserdiamonds@yahoo.co.in)

#### Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Director's Report and Forms part of the annual Report. (Annexure - A to the Directors Report).

### IX. GENERAL SHAREHOLDER INFORMATION:

Number of AGM	:	14th AGM
Date	:	29 <sup>th</sup> September 2008
Day	:	Monday
Time	:	10.30AM
Venue	:	"RAGAAS" No.47,1 <sup>st</sup> Avenue, Shastri Nagar, Chennai-600 020
Financial year	:	April 2007 to March 2008.



## LASER DIAMONDS LIMITED

Book Closure date	:	23.09.2008 to 29.09.2008 ( Both days Inclusive).
Dividend Payment date	:	Not Applicable.
Listing of Stock Exchange	:	Madras, Mumbai and Ahmedabad
Listing Fee	:	Listing Fee paid upto : 2008-09 (Madras and Bombay) The arrears of listing fee to Ahmedabad Stock Exchange has been paid under installment basis.
Stock Code	:	531164
ISIN allotted to Equity Shares	:	INE995E01015
Registrar & Transfer Agents	:	M/s. Cameo Corporate Service Ltd, "Subramaiam Building" No*1, Club House Road, Chennai – 600 002.

### SHARE TRANSFER SYSTEM:

The share transfers are processed and the share certificates returned within a period of 10 to 15 days from the date of receipt, so long as the documents have been clear in all respects. The Company has, as per SEBI Guidelines offers the facility of transfer cum demat.

### SHARE HOLDING PATTERN as on 31<sup>st</sup> March 2008:

Category	Shares	%
<b>A. Promoters Holding:</b>		
<b>1. Promoters</b>		
<u>Indian Promoters</u>		
Mr. Lalit Kumar Samdaria	1330193	32.84
Mrs. Hemlatha Samdaria	437551	10.80
Mr. Rikhab Chand Samdaria	233552	5.77
<u>Foreign Promoters</u>	Nil	Nil
<b>2. Persons Acting in concert</b>	18403	0.46
<b>Sub- Total</b>	<b>2019699</b>	<b>49.87</b>
<b>B. Non Promoters Holding:</b>		
<b>3. Institutional Investors</b>		
a) Mutual Funds and UTI	Nil	Nil
b) Banks, Financial Institution, Insurance Companies (Central/State Govt/ Institutions/ Non-Govt Institutions) City Union Bank	Nil	Nil
c) FII's	Nil	Nil
<b>Sub - Total</b>	<b>Nil</b>	<b>Nil</b>
<b>4. Others :</b>		
a) Private Bodies Corporate	42000	1.04
b) Pan Link Consultants	Nil	Nil
c) Indian Public	1988201	49.09

## LASER DIAMONDS LIMITED

d) NR/ OCB's	Nil	Nil
e) Any Other (Please Specify)		
Shares In Transit	Nil	Nil
Forfeited Shares	Nil	Nil
Foreign National	Nil	Nil
Clearing Member	100	0.0024
<b>Sub- Total</b>	<b>2030301</b>	<b>50.13</b>
<b>Grand Total</b>	<b>4050000</b>	<b>100.00</b>

### Distribution of Shareholding as on 31st March, 2008

Shares	Share holders		Share holdings	
	Number of shareholders	% of total shareholders	Number of shares	% of total shareholding
upto 500	2609	74.0351	715402	17.6642
501 - 1000	653	18.5300	445500	11.0000
1001 - 2000	131	3.7173	198100	4.8913
2001 - 3000	47	1.3337	123200	3.0419
3001 - 4000	25	0.7094	90000	2.2222
4001 - 5000	21	0.5959	98200	2.4246
5001 - 10000	18	0.5107	122602	3.0272
10001 - and above	20	0.5675	2256996	55.7282
<b>TOTAL</b>	<b>3524</b>	<b>100.0000</b>	<b>4050000</b>	<b>100.0000</b>

### Categories of Shareholding as on 31st March, 2008

Promoters/Directors and Relatives	2019699	49.87
Private Corporate Bodies	42000	1.04
Indian Public	1988301	49.09
<b>TOTAL</b>	<b>40,50,000</b>	<b>100</b>

Dematerialisation of Shares & Liquidity :	Shares In Demat	: 11,61,100
	Shares In Physical	: 28,88,900
	<b>TOTAL</b>	<b>: 40,50,000</b>

Outstanding GDR's/ADRs/Warrants - Nil

Address for Correspondence : No.41, Veerappan Street, Sowcarpet, Chennai - 600 079.

Factory Location : Nil

Place : Chennai  
Date : 25.08.2008

By order of the Board  
For LASER DIAMONDS LIMITED  
RIKHABCHAND SAMDARIA  
Director

## LASER DIAMONDS LIMITED

### AUDITOR CERTIFICATE REGARDING COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 of the Listing Agreement:-

Registration No of the Company : 29777  
Nominal Capital : 50000000

To

The members of the Laser Diamonds Ltd., Chennai

I have examined all the relevant records of M/s. Laser Diamonds Ltd, Chennai for the purpose of certifying compliance of the conditions of Corporate Governance under clause 49 of the Listing Agreement with BSE & MSE for the financial year ended 31.3.2008. I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of this Company.

On the basis of our examination of the records produced, explanation and information furnished, we certify that the Company has complied with:

- (a) All the mandatory conditions of the said Clause 49 of the Listing Agreement.
- (b) The following non mandatory requirements of the said clause 49.

Date : 25.8.2008  
Place : Chennai

809  
(BHARAT KUMAR R. JAYIY)  
Chartered Accountant  
Membership No.027891

### Certification by CEO and CFO as issued pursuant to revised Clause 49 of the Listing Agreement:

I, Rikhabchand Samdaria Director of M/s Laser Diamonds Limited, Chennai certify that:

- (a) I have reviewed the financial statements including the cash flow statement of M/s. Laser Diamonds Limited, Chennai for the year ended 31<sup>st</sup> March 2008
  - I. To the best of my knowledge and belief, the financial statements including cash flow statements do not contain any materially untrue statement or omit any material fact or contain statements that might be mis-leading;
  - II. To the best of my knowledge and belief, the financial statements including cash flow statements presents a true and fair view of company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of my knowledge and belief, there are no transactions entered into by the company during the year, which are fraudulent, illegal or violative to the company's code of conduct.
- (c) Based on my observance and on the basis of submission received through sub-certification process, I certify that internal controls for financial reporting are established, maintained and are effective considering the nature and size of the business. Further no deficiencies have observed in design or operation of such internal controls for the period covered by this report.
- (d) During the period under review, no significant changes were observed in the internal controls over financial reporting and accounting policies of the company. Furthermore, no instance of fraud found by management or employees having a significant role on the company's internal control system over financial reporting.

Date : 25.8.2008  
Place : Chennai

RIKHABCHAND SAMDARIA  
(Signature of the Certifying Authority)  
Director

## LASER DIAMONDS LIMITED

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### AUDITOR'S REPORT

The Members of  
LASER DIAMONDS LTD

I have audited the attached balance sheet of LASER DIAMONDS LTD as at 31<sup>st</sup> March 2008, the profit and loss account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with the 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 the 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. I believe that my audit provides a reasonable basis for my opinion.

As required by the Companies (Auditor's 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 paragraphs 4 and 5 of the said order.

Further to my comments in the Annexure referred to above, I report that:

I have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of my audit.

In my opinion, proper books of account as required by law have been kept by the company so far as appears from my examination of those books.

The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account.

In my opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

On the basis of written representation received from the directors, as on 31<sup>st</sup> March 2008 and taken on record by the Board of Directors, I report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.

In my opinion and to the best of my information and according to the explanations given to me, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

In the case of the balance sheet, of the state of affairs of the company as at 31<sup>st</sup> March 2008;

In the case of profit and loss account, of the loss for the year ended on that date; and

In the case of the Cash Flow Statement of the Cash Flows for the year ended on that date.

Date : 25.08.2008  
Place : Chennai

(BHARAT KUMAR N. JAIN)  
Chartered Accountant  
376, Mint Street, 2nd Floor,  
Chennai-600 079, [M. No.027891]

## LASER DIAMONDS LIMITED

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### LASER DIAMONDS LIMITED

Referred to in paragraph 3 of our report of even date.

- 1)
  - (a) On the basis of examination of the records of the company, I report that the company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - (b) On the basis of examination of the records of the company, I report that all the assets have not been physically verified by the management during the year but there is a regular programme of verification which, in my opinion, is reasonable having regard to the size of the company and the nature of the assets. No material discrepancies were noticed on such verification.
  - (c) During the year, the company has not disposed of any of the plant and machinery.
- 2)
  - a) Inventory as on 31.3.2008 is NIL [P.Y. Nil]. Physical verification of Inventories has taken during the year by management.
  - b) In my opinion and according to the information and explanation given to me, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of business.
  - c) On the basis of examination of the records of the inventory and according to information and explanations given to me, the company is maintaining proper records of inventory.
- 3)
  - a) The company has not entered into any contracts or arrangements attracting the provision of section 301 of the Companies Act 1956 and hence the Clause (V) of the said Order is not applicable.
  - b) In my opinion, the rate of interest and other terms and conditions on which loans have been taken from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
  - c) The company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest.
  - d) There is no overdue amount of loans taken from firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 4) In my opinion and according to the information and explanations given to me, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory and with regard to the sale of goods. During the course of our audit, I have not observed any continuing failure to correct major weaknesses in internal controls.
- 5)
  - a) In my opinion and according to the information and explanations given to me, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956.
- 6) In my opinion and according to the information and explanations given to me, the company has not accepted any deposit from Public. No order has been passed by the Company Law Board.
- 7) In my opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8) The industry in which Company's business is involved is not prescribed u/s 210(1) (d) for maintenance of cost records.
- 9)
  - (a) As per the information and explanations given to me and records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, excise duty, cess and other material statutory dues applicable to it. No wealth tax and custom duty is payable by company.
  - (b) According to the information and explanations given to me and records of the company, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31.03.08 for a period of more than six months from the date they became payable.
  - (c) According to the information and explanations given to me, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

## LASER DIAMONDS LIMITED

- 10) In my opinion, the accumulated losses of the company is Rs.163.47 lacs as on 31.03.2008, which is not more than 50% of its net worth. The company has earned cash profit during the financial year 2007-2008 is approx Rs.12.38 lacs (P.Y. cash profit is Rs.20.05 lacs)
- 11) In my opinion and according to the Information and explanations given to me, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- 12) As per records of the company, 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 my opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- 14) In my opinion, the company is not dealing in or trading in shares, securities debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- 15) As per the records of the company, the company has not given guarantees for loans taken by other from banks or financial institutions.
- 16) As per records of the company, the company has not raised any term loan.
- 17) According to the information and explanations given to me and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- 18) According to the information and explanations given to me and as per records of the company, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 19) According to the information and explanations given to me, during the period covered by my audit report, the company had not issued any debentures during the year.
- 20) During the course of our examination of books of accounts carried out in accordance with generally accepted practices in India, I have neither come across any incidence of fraud on or by the company nor have we been informed of any such case by the management.

Date : 25.08.2008  
Place : Chennai

(BHARAT KUMAR N. JAIN)  
376, Mint Street, 2nd Floor,  
Chennai-600 079, [M. No.027891]

### FOREIGN EXCHANGE TRANSACTIONS :

Foreign Exchange Transactions of revenue in nature are accounted at the exchange rates prevailing on the date of transaction and are recognized in the Profit and Loss Account. There are no Foreign Exchange Transactions with respect to Assets and Liabilities. Loss on realization of Foreign Exchange is Rs.519092 (P.Y. Loss Rs.146935)

### ADVANCE FOR MACHINERY:

Amount advance to R.V. Diamond for purchase of machinery during the year 1995 (Rs.67.52 lakh). Company have filed suite against them which is still pending in the High Court.

### PROVIDENT FUND:

As per the information provided the provisions of provident fund, state insurance are not applicable is accounted on accrual basis and is charges to revenue account.

In the opinion of the Board of Directors, Sundry debtors, Current assets, Loans and Advances have a value on realization, in the ordinary course of business, atleast equal to the amount at which they are stated.

The company is yet to receive confirmations from parties in respect of balances outstanding in sundry debtors and creditors.

## LASER DIAMONDS LIMITED

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### SEGMENT REPORTING:

The Company's business consists of one primary reportable business segment of manufacturing and sale of Precious stones and processing facility of the same and consists of major revenue on account of domestic / export sales, hence no separate disclosures pertaining to attributable revenues, profits, assets, liabilities and capital employed are given as required under Accounting Standard - 17.

### EARNINGS PER SHARE (EPS)

During the year company's EPS .30 paise per share. As there is carry forward loss adjusted against current year profit ends deferred tax liability does not arise.

Unabsorbed depreciation being carried over as per Income Tax Act up to 31.03.2008 is Rs.157.91 lacs which will be adjusted against profits of company in subsequent year. Contingent Tax benefits out of such adjustment is not accounted for.

As per my report of even date annexed.

For. BHARAT KUMAR N. JAIN  
Chartered Accountants  
Membership No. : 027891

Place : CHENNAI  
Date : 25.08.2008

For and on behalf of Board of Directors  
For LASER DIAMONDS LTD.

RIKHABCHAND SAMDARIA  
Director  
SHARAD PAREKH  
Director

## LASER DIAMONDS LIMITED

### BALANCE SHEET AS ON 31<sup>st</sup> March, 2008

	SCHEDULE	AS AT 31-03-2008 Rs.	AS AT 31-03-2007 Rs.
<b>SOURCES OF FUNDS</b>			
(A) Shareholder's Funds	(1)	40,130,500.00	40,130,500.00
		40,130,500.00	40,130,500.00
<b>APPLICATION OF FUNDS</b>			
(B) Fixed Assets			
Gross Block	(2)	20,388,246.00	20,388,246.00
LESS: Depreciation		8,141,628.00	8,141,628.00
Net Block		12,246,618.00	12,246,618.00
(C) Current Assets	(3)		
Cash and Bank balance		62,088.34	1,206,517.02
Trade Debtors		7,587,071.65	4,336,017.32
Loans and Advances & Deposits		7,474,460.00	7,274,460.00
		15,123,619.99	12,816,994.54
(D) Current Liabilities and Provisions	(4)	3,586,797.00	2,518,379.00
Net Current Assets (C-D)		11,536,822.99	10,298,615.54
(E) Profit and Loss Account (Loss)		16,347,059.01	17,585,266.50
		40,130,500.00	40,130,500.00

#### NOTES ON ACCOUNTS

(6)

As per my report of even date.  
For BHARAT KUMAR N. JAIN  
Chartered Accountants  
(Membership No.027891)

Place : CHENNAI  
Date : 25.08.2008

For and on behalf of Board of Directors  
For LASER DIAMONDS LTD.

RIKHABCHAND SAMDARIA  
Director  
SHARAD PAREKH  
Director



# LASER DIAMONDS LIMITED

## TRADING AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2008

	SCHEDULE	AS AT 31-03-2008 Rs.	AS AT 31-03-2007 Rs.
<b>INCOME</b>			
Sales		15,889,100.00	20,048,000.00
Other Income		1,392.33	1,192,708.59
		<u>15,890,492.33</u>	<u>21,240,708.59</u>
<b>EXPENDITURE</b>			
Cost of goods sold		13,312,186.00	18,349,337.00
Foreign Exchange Rate Fluctuation		519,092.12	146,934.62
Export Freight & Charge		37,354.00	35,109.00
Administrative and other Expenses	(5)	765,561.75	680,663.62
		<u>14,634,193.88</u>	<u>19,212,044.24</u>
Profit for the year before Tax		1,256,298.45	2,028,664.35
LESS: Fringe Benefit Tax (Earlier Year)		--	22,788.00
		<u>1,256,298.45</u>	<u>2,005,876.35</u>
LESS: Provision for FBT (Current Year)		18,091.00	5,587.00
		<u>1,238,207.45</u>	<u>2,000,289.35</u>
ADD: Profit/(Loss) carried forward from Previous year		(17,585,266.46)	(19,585,555.81)
(Loss) Carried to Balance Sheet		<u>(16,347,059.01)</u>	<u>(17,585,266.46)</u>

NOTES ON ACCOUNTS

(6)

As per my report of even date.  
For BHARAT KUMAR N. JAIN  
Chartered Accountants  
(Membership No.027891)

Place : CHENNAI  
Date : 25.08.2008

For and on behalf of Board of Directors  
For LASER DIAMONDS LTD.

RIKHABCHAND SAMDARIA  
Director  
SHARAD PAREKH  
Director

# LASER DIAMONDS LIMITED

## SCHEDULE

AS AT 31-03-2008  
Rs.

AS AT 31-03-2007  
Rs.

### SCHEDULE 1 : SHARE CAPITAL

#### AUTHORISED SHARE CAPITAL

5000000 Equity Shares of Rs.10/- each

50,000,000.00

50,000,000.00

#### ISSUED SUBSCRIBED AND PAIDUP

4050000 (4050000) Equity Shares of Rs. 10/- each  
(of these 200000 shares of Rs. 10/- each  
issued for consideration other than cash)

40,500,000.00

40,500,000.00

LESS Calls in arrears

369,500.00

369,500.00

40,130,500.00

40,130,500.00

### SCHEDULE 2 : FIXED ASSETS & DEPRECIATION AS PER SCHEDULE XIV OD COMPANIES ACT,1956

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As on 1-4-2007 Rs.	Additions/ Deductions Rs.	As at 1-4-08 Rs.	Upto 1-4-2007 Rs.	For the Year Rs.	Upto 1-4-08 Rs.	As on 31-3-08 Rs.	As on 31-3-07 Rs.
1. Building	2379108	NIL	2379108	367017	NIL	367017	2012091	2012091
2. Plant & Machinery	17285129	NIL	17285129	7425289	NIL	7425289	9859840	9859840
3. Office Equipment	316176	NIL	316176	135792	NIL	135792	80384	180384
4. Electrical Installation	135876	NIL	135876	58368	NIL	58368	77508	77508
5. Furniture & Fixtures	271957	NIL	271957	155162	NIL	155162	116795	116795
<b>TOTAL</b>	<b>20388246</b>	<b>NIL</b>	<b>20388246</b>	<b>8141628</b>	<b>NIL</b>	<b>8141628</b>	<b>12246618</b>	<b>12246618</b>

# LASER DIAMONDS LIMITED

## SCHEDULE 3 : CURRENT ASSETS, LOANS AND ADVANCES

CURRENT ASSETS:	AS AT 31-03-2008 Rs.	AS AT 31-03-2007 Rs.
<b>CASH AND BANK BALANCES</b>		
Cash on hand	39,289.00	349,569.50
Cash at Bank - with Schedule Bank in Current Account	22,799.34	856,947.52
	<u>62,088.34</u>	<u>1,206,517.02</u>
<b>TRADE DEBTORS</b> (unsecured and considered good)		
(a) Over Six months old	4,184.00	4,184.00
(b) Below Six months old	7,582,887.65	4,331,887.52
	<u>7,587,071.65</u>	<u>4,336,071.52</u>
<b>LOANS, ADVANCES AND DEPOSITS</b>		
Advances	7,279,450.00	7,079,450.00
Deposits (recoverable in kind or cash or value to be received)	195,010.00	195,010.00
	<u>7,474,460.00</u>	<u>7,274,460.00</u>

## SCHEDULE 4 : CURRENT LIABILITIES & PROVISIONS

Sundry Creditors	3,529,776.00	2,478,862.00
Investor Protection Fund Share Application money refund due	13,930.00	13,930.00
Provision for Fringe Benefit Tax	18,091.00	5,587.00
Other Liabilities	25,000.00	20,000.00
	<u>3,586,797.00</u>	<u>2,518,379.00</u>

## SCHEDULE 5 : ADMINISTRATIVE & OTHER EXPENSES

Ground Rent	96,000.00	96,000.00
Conveyance	5,154.00	4,740.00
Postage Expenses	2,179.00	14,589.00
Printing and Stationery	4,180.50	2,404.00
Listing fees	22,600.00	22,700.00
D-Mat Charges	28,013.00	31,183.00
Tours & Travelling Expenses	141,166.00	210,570.00
Boarding & Lodging	180,300.00	--
Bank Charges	18,732.26	32,641.62
Telephone Expenses	45,368.00	29,149.00
Advertisement	22,500.00	17,000.00
Membership Fees	10,400.00	5,000.00
ROC Filing Fee	2,200.00	5,100.00

## LASER DIAMONDS LIMITED

AGM Expenses	24,074.00	11,587.00
Accounting Charges	14,850.00	7,350.00
Repairs & Maintenance	16,111.00	1,800.00
Consultancy fee	12,000.00	27,000.00
Directors Remuneration	--	60,000.00
Salary & Bonus	90,244.00	81,850.00
General Expenses	5000.00	--
NSDL Charges	4,490.00	--
Audit Fees	20,000.00	20,000.00
	765,561.76	680,663.62

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2008 PURSUANT OF THE CLAUSE 32 OF THE LISTING AGREEMENT

	YEAR ENDING 31-03-2008 Rs.	YEAR ENDING 31-03-2007 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax, interest and extraordinary item.	1,256,298	2,028,664
<b>ADJUSTMENTS FOR:</b>		
Fringe Benefit Tax	(18,091)	(22788)
Depreciation	Nil	Nil
Amortisation of preliminary and public issue expenses	Nil	Nil
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHARGES</b>	1,238,207	2,005,876
Trade and other receivables	(3,451,054)	(719445)
Trade Payable	1,068,418	(233591)
Net Cash used in operating activities	(1,144,429)	1,052,840
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>	Nil	Nil
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>	Nil	Nil
<b>D. NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,144,429)	1,052,840
CASH AND CASH EQUIVALENTS (OPENING)	1,206,517	153,677
CASH AND CASH EQUIVALENTS (CLOSING)	62,088	1,206,517
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,144,429)	1,052,840

As per my report of even date.  
For BHARAT KUMAR N. JAIN  
Chartered Accountants  
(Membership No.027891)

PLACE : CHENNAI  
DATE : 25.08.2003

For and on behalf of Board of Directors  
For LASER DIAMONDS LTD.

RIKHABCHAND SAMDARIA  
Director

SHARAD PAREKH  
Director

# LASER DIAMONDS LIMITED

## SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS :

### ACCOUNTING CONVENTION

The Financial Statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

### FIXED ASSETS

Fixed Assets are stated at cost less depreciation. Cost of Fixed Assets include all direct expenditure and expenditure during construction period allocated of Fixed Assets. Depreciation on the Fixed Assets has been provided on Straight Line Method in accordance with the rates prescribed under schedule XIV of the Companies Act, 1956.

However during current year No Depreciation was provided (P.Y. Nil)

### INVENTORIES

No stock exist as on Balance Sheet date. Hence we do not have any comment on the same.

### INCOME RECOGNITION

Income & Expenditure are accounted on accrual basis.

### PRELIMINARY AND PUBLIC ISSUE EXPENSES

Preliminary and Public Issue Expenses have been amortized over a period of 10 years in accordance the provision of Income - tax Act. There is no portion remain to be amortized in future.

### SALES

Sales are recorded and supply of goods takes place in accordance with the terms of sales. Sales do not include Excise Duties.

Payment against supplies from SSI and ancillary undertaking are generally made in accordance with agreed credit terms and there were no over dues in this regard.

### ACCOUNTING STANDARD

The Profit and Loss A/C. and Balance Sheet Complied with the accounting standards referred in section 211 (3C) of companies Act 11086.

### SECURED LOAN

There are no secured loan borrowed by the company .

### CHANGE IN ACCOUNTING POLICY

There is no change in policy of accounts

Expenditure in Foreign Currency\* - NIL

Previous Year figures have been rearranged and regrouped wherever necessary.

Loss on Sale of Fixed Assets Accounted - Rs. NIL

Sundry Debtors - unsecured - considered goods

Outstanding for a period exceeding six months - Rs. 0.04 lacs

Others - Rs. 75.83 lacs

(The Company does not hold any security except the personal guarantee of debtors.)

AUDITOR'S REMUNERATION	2007-08	2006-2007
For Audit	Rs. 20000	15000
For taxation matter	Rs. --	5000
<b>TOTAL</b>	<b>Rs. 20000</b>	<b>20000</b>

Interested Party payments, if any : Nil

# LASER DIAMONDS LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:

### I. Registration Details

Registration No.:

2 9 7 7 7

State Code:

1 8

Balance Sheet Date

3 1

Date

0 3

Month

2 0 0 8

Year

### II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

### III. Position of mobilisation and Deployment of funds (Amount in Rs. Thousands)

Total Liabilities

4 3 7 1 7

Total Assets

4 3 7 1 7

### IV. Performance of company (Amount in Rs. Thousands)

Turnover

1 5 8 9 0

Total Expenditure

1 4 6 3 4

Profit before Tax

1 2 5 6

Profit after Tax

1 2 3 8

Dividend Rate

N I L

### V. Generic names of three principal products/service of company (as per monetary terms)

Item Code No. (ITC Code)

71021000

Product Description

UNASSORTED DIAMONDS

Item Code (ITC Code)

71023100

Product Description

Sawn, Unworked, Cleaved or bruted diamonds

### SOURCES OF FUNDS (Amount in Rs. Thousands)

Paid up Capital

4 0 1 3 1

Secured Loans

N I L

### APPLICATION OF FUNDS

Net Fixed Assets

1 2 2 4 7

Net Current Assets

1 1 5 3 7

Reserves & Surplus

N I L

Investments

N I L

Accumulated Losses

1 6 3 4 7

Unsecured Loans

N I L

Miscellaneous Expenditure

N I L

**LASER DIAMONDS LIMITED**

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**LASER DIAMONDS LIMITED**

Regd. Office : 41, Veerappan Street, Sowcarpet, Chennai - 600 079.

**ATTENDANCE SLIP**

Name of the Shareholder: .....

Folio No. / Client ID No. : .....

No. of Shares held : .....

I/We record my/our presence at the Fourteenth Annual General Meeting of the Company at "Ragaas", 47, 1st Avenue, Shastri Nagar, Chennai - 600 020 at 10.30 A.M. on Monday the 29.09.2008.

Signature of the attending member of proxy .....

Notes: Shareholder/proxy holders wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.

2. Shareholders/proxy holders to attend the meeting should bring this copy of the Annual Report for reference at the meeting.

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**LASER DIAMONDS LIMITED**

Regd. Office : 41, Veerappan Street, Sowcarpet, Chennai - 600 079.

**PROXY**

We ..... of: ..... being a Member/

Members of the above named company, hereby appoint ..... of

..... or failing him ..... of

..... as my/out proxy to attend and vote for me/us on my/our behalf at the

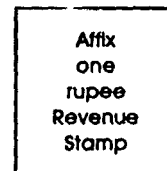
FOURTEENTH ANNUAL GENERAL MEETING of the company, to be held on Monday the 29.09.2008 and at any adjournment.

Thereof, signed this ..... day of ..... 2008.

Regd. Folio No. / Client ID No. : .....

No. of Shares held .....

Signature .....



Note: The proxy must be returned so as to reach the Registered office of the Company viz: 41, Veerappan Street, Sowcarpet, Chennai - 600 079, not less than Forty Eight hours before the Scheduled time for holding the aforesaid meeting.

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**BOOK-POST**

If undelivered please return to:

**LASER DIAMONDS LIMITED**

Regd. Office:

41, Veerappan Street, Sowcarpet,

Ground Floor,

Chennai - 600 079.