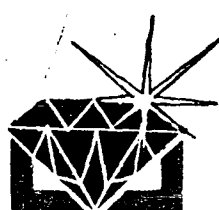


# **FOURTEENTH ANNUAL REPORT 2007-2008**

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## **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.

CONTENTS	Page
Notice of Shareholders	2
Director's Report	3
Auditor's Report	11
Balance Sheet	15
Profit and Loss Account	16
Annexures	17
Cash flow statement	19
Notes on Accounts	20
Balance sheet Abstract and Company's General Business Profile	21

**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

### 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

### 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

for Laser Diamonds Ltd.

Place : Chennai

Sharad Parekh

Rikhabchand Samdaria

Sd./-

Sd./-

Director

Chairman

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

#### 1. OVERALL REVIEW

The overall view of the company's performance is so slied 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 it 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

### 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 charges 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.