

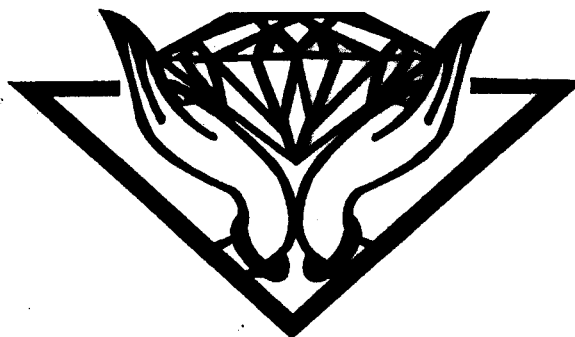
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MINI DIAMONDS (INDIA) LTD.



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MINI DIAMONDS (INDIA) LTD.

EIGHTEENTH ANNUAL REPORT OF 2004 - 2005

BOARD OF DIRECTOR	:	Shri. Upendra N. Shah (Chariman and Managing Director) Shri. Kailas N. Shah Dr. Upendra V. Shah Mr. Himanshu K. Shah Mr. Mahadev P. Desai Mr. Ajay B. Shah
AUDITORS	:	V. A. Parikh & Associates Chartered Accountants
BANKERS	:	Bank Of India, Central Bank of India.
REGISTERED OFFICE	:	7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004.
REGISTRAR & SHARE TRANSFER AGENTS	:	M/s Purva Sharegistry (India) Pvt. Ltd. 33, Printing House, 28-D Police Court Lane, Behind Old Handloom House, Fort, Mumbai – 400 001.



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NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Shareholders of the MINI DIAMONDS (INDIA) LIMITED will be held on Friday, 30th day of September, 2005 at the Registered Office of the Company situated at 7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004 at 10.00 a.m. to transact the following business:-

Ordinary Business :

1. To receive and adopt the Audited Profit and Loss Account for the year ended 31st March, 2005 and Balance Sheet as at 31st March, 2005 and Director's and Auditor's Reports thereon.
2. To appoint a Director in place of Mr. Kailas N Shah who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Upendra V Shah who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

NOTES :

1. THE MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO ATTEND PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Members are requested to intimate the change in their registered address, if any, to the Company's registered office.
3. Members desiring any information at the Annual General Meeting of the Company are requested to write to the Company at least 10 days in advance so as to enable the company to keep the information ready.
4. The Register of Member and Share Transfer Books of the Company will remain closed from Wednesday, 28th September, 2005 to Friday, 30th September, 2005 (both days inclusive).
5. Members who hold shares in dematerialised form are requested to write their Client-ID and DP-ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.



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6. At the ensuing Annual General Meeting Mr. Kailas N Shah and Dr. Upendra V Shah, retires by rotation and being eligible offers themselves for re-appointment the information or details pertaining to this director to be provided in terms of clause 49 of the Listing Agreement with the stock exchanges are furnished in the statements on Corporate Governance published in this Annual Report .

Registered Office :

7-A, Nusser House, Gr. Flr.,
Opp. Pancharatna Bldg.,
Mama Parmand Marg,
Opera House, Charni Road,
Mumbai 400 004.

By order of the Board of Directors

Director.

Place : Mumbai

Dated : 18th August, 2005.





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DIRECTORS' REPORT

To,
The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report together with the Audited statement of accounts of the company for the year ended 31st March, 2005.

FINANCIAL RESULTS

	Year ended 31st March 2005	Year ended 31st March 2004
Sales	49,352,142	1,19,70,221
Profit /(Loss) Before Interest and Depreciation	25,110,131	(2,92,643)
Less: i) Interest	Nil	Nil
ii) Depreciation	50,360	58,590
Profit/(Loss) before Taxation	25,059,771	3,51,233
Profit/(Loss) after Taxation	22,806,584	3,51,233
Add. Balance in profit and Loss account brought fwd	(25,959,665)	(2,56,08,432)
Balance carried to Balance Sheet	(3,153,081)	(2,59,59,665)

DIVIDEND

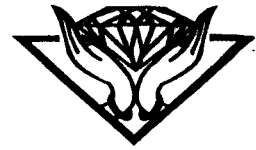
Your Directors regret their inability to recommend any Dividend on account of carry forward losses suffered by the Company.

REVIEW OF OPERATIONS

During the Year under review , the total income is Rs. 4.93 Crores against the income of Rs. 1.19 Crores of the previous year.

FINANCE

The Company's paid- up equity share capital is Rs. 3,44,15,000/- against the Authorised Share Capital of Rs. 3,50,00,000/-. The Company endeavors to ensure most economic and efficient capital structure.



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DIRECTORS

The Board at present comprises of Shri. Upendra N. Shah, Shri. Kailas N. Shah, Shri. Himanshu K. Shah, Dr. Upendra V. Shah, Shri. Mahadev P. Desai and Shri. Ajay B. Shah all having vast business experience. Mr. Kailas N. Shah and Dr. Upendra V. Shah retire by rotation and being eligible offers themselves for reappointment.

During the year under review Mr. Deepak H. Shah resigned as director w.e.f. 10th March, 2005 and the board expresses their appreciation on record for the services rendered by him during his tenure.

The Company has complied with the relevant provisions of the listing agreement of having more than 50% of the board as independent Non executive Directors. The details are given under the Corporate Governance.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

- i. in the preparation of the annual accounts, the applicable accounting standard had been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgements 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 the end of the financial year and of the profit/loss of the Company for that period;
- iii. the Directors had 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. the Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

The Company has not accepted any deposit within the meaning of Section 58-A of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

PARTICULARS OF EMPLOYEES

The relationship between the Company and its employees has remained extremely cordial. The Directors take this opportunity to recording their deep appreciation of the services rendered by the employees. Particulars of employees within the meaning of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules, 1975, as amended is reported to be nil.

LISTING FEES

The Company has paid its listing fees to the Mumbai Stock Exchange on completion of formalities to commence the trading of shares at Mumbai Stock Exchange. The Company has informed the Mumbai Stock Exchange for revival of listing and has started completing formalities in this regard. However, the Company has yet to pay listing fees for Ahmedabad and Delhi Stock Exchange, which shall be paid very soon.



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CORPORATE GOVERNANCE

A separate report on the Corporate Governance and Management Discussion & Analysis is attached as a part of the Annual Report. The Auditors' Certificate regarding compliance of the conditions of Corporate Governance is also annexed.

TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information required under section 217 (1) (e) of the Companies Act, 1956 read with (Disclosure of particulars in the report of board of directors) Rules, 1988, is as follows:

The particulars regarding conservation of energy is NOT APPLICABLE

The information regarding technology absorption and innovation is reported to be NIL.

The information regarding Foreign Exchange earnings and outgo is as follows :-

(Rs. in Lacs)

a) F.O.B. Value of Exports	Nil
b) C.I.F. Value of Imports	Nil
c) Value of Capital Goods made in Foreign Currency	Nil

AUDITORS

M/s. V.A. Parikh & Associates Chartered Accountants retire as Auditors of the Company at the conclusion of the ensuing Eighteenth Annual General Meeting and being eligible, have offered themselves for re-appointment.

ACKNOWLEDGEMENT :

Your Directors take this opportunity to place on record their deep appreciation and sincere gratitude to the various department of Central Government and the Bankers of the Company for their valuable assistance and look forward to their continued co-operation.

By ORDER OF THE BOARD OF DIRECTOR

Place : Mumbai

Dated : 18th August, 2005.

UPENDRA N. SHAH
CHAIRMAN



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ANNEXURE I TO DIRECTORS' REPORT: - CORPORATE GOVERNANCE REPORT

The detailed Report on Corporate Governance as per the Format prescribed by SEBI and incorporated in Clause 49 of the Listing Agreement is set out below.

1) COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and integrity in all its operations and its interactions with Shareholders, Government, lenders, creditors etc. Hence the Company has taken all appropriate steps to comply with the provisions of the prescribed Corporate Governance Code with in stipulated period. The Company has already implemented with most of the mandatory provisions and is taking all possible steps to comply with the balance mandatory provisions as early as possible.

2) BOARD OF DIRECTORS :

Composition and number of meeting held:

There are Six members of the Board of Directors. The Board comprises of One Chairman & Managing Director and Five other non-executive Directors. All are independent Directors.

During the financial year ending 31-03-2005, 6 (Six) meeting of the Board of Directors were held on 30-04-2004, 31-07-2004, 3-9-2004, 31-10-2004, 31-01-2005 and 10-03-2005. The Composition of the Board, attendance at Board Meeting held during the year and the last Annual General Meeting, number of Directorship in other Companies and Memberships in committees across various Companies of which the Director is a Member / Chairman are given below.

Name of the Director	Category	No. of other Directorships	Committee No. of Membership	Positions Chairman	No. of Board Meeting Attended	Last AGM Attended
Mr. Upendra N. Shah	Promoter Chairman & Mg. Director	NIL	NIL	NIL	6	Yes
Mr. Kailas N. Shah	Promoter & Director	NIL	NIL	NIL	6	Yes
Himanshu K. Shah	Promoter & Non-Executive Director	1	NIL	NIL	6	Yes
Dr. Upendra V. Shah	Independent & Non-Executive Director	NIL	NIL	NIL	1	No
Mr. Deepak H. Doshi	Independent & Non-Executive Director	NIL	NIL	NIL	3	No
Mr. Mahadev Desai	Independent & Non-Executive Director	NIL	NIL	NIL	6	Yes
Mr. Ajay B. Shah	Independent & Non-Executive Director	NIL	NIL	NIL	6	Yes



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Board Meetings :

The meeting of the Board of Directors are being held at regular intervals of not more four months at the Company's Registered Office at Mumbai and are generally scheduled well in advance as per the provisions under the Companies Act, 1956 and those under clause 49 of the Listing Agreement are followed in this regard. The Board meets at least once in a quarter to review quarterly performance and financial results. The agenda of the meeting is prepared and circulated to the Directors in advance. The members of the board have access to all information pertaining to the Company and are free to recommend inclusion of any matter in the agenda for the discussions.

3) AUDIT COMMITTEE :

The Board of Directors of the Company has constituted an Audit Committee. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement.

Presently, the committee consist of 3 Directors, all directors are non-executive and majority of them being independent. The committee met 5 times during the year under review on 29-04-2004, 30-07-2004, 02-09-2004, 30-10-2004 and 30-01-2005. The attendance record of the members at the meeting is as under:

Name of the Director	Designation	No. of meeting Attended
Mr. Himanshu K. Shah	Chairman	5
Mr. Mahadev P. Desai	Member	5
Mr. Ajay B. Shah	Member	5

4) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

The Board of Directors has constituted Shareholders / Investors grievances committee. Presently, the committee consist of 3 Directors and Chairman of the Committee is non-executive Directors. The Committee met 3 times during the year under review on 15-06-2004, 01-12-2004 and 15-02-2005 to look into the specific complaints received from the shareholders of the Company. The composition of the said committee is as follows:

Members	Category
Mr. Himanshu K. Shah (Chairman)	Promoter
Mr. Mahadev Desai	Independent
Mr. Ajay B. Shah	Independent

In order to facilitate prompt and efficient services to the Shareholders all transactions in connections with transfer, transmission, dematerialization etc. Company has appointed M/s. Purva Shregistry (India) Private Limited as Registrar and Share Transfer Agents as per circular issued by SEBI. All Transfer or Transmission of Shares are transferred and Returned within 21 days from the date of Receipt so long as all instruments are in order and clear in all respect. All the complaints have been attended/resolved to the satisfaction of complaints



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5) REMUNERATION COMMITTEE :

The Board of Directors has constituted a Remuneration Committee to determine the remuneration payable to the Managing Director taking into account their qualification, experience, contribution and the prevailing level of remuneration in companies of corresponding size and nature.

6) GENERAL BODY MEETING

The previous three Annual General Meetings of the Company held on the dates, at the time and venue given below :

Financial Year	Date	Time	Venue
2001-2002	30 th September 2002, Monday	10.00 A.M.	Vanita Vishram, 392, S.V.P. Road, Prarthana Samaj, Mumbai 400 004.
2002-2003	30 th September 2003, Tuesday	3.00 P.M.	7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004.
2003-2004	30 th September 2004, Thursday	10.00 A.M.	7-A, Nusser House, Ground Floor, Opp. Panchratna Building, Opera House, Mumbai- 400 004

7) DISCLOSURES :

During the financial year ended March 31, 2005 there were no materially significant related party transactions with the Company's Directors or their relatives. The Company has complied with all the statutory requirements comprised in the Listing Agreement / Regulations / Guidelines / Rules of the Stock Exchanges / SEBI / other Statutory Authorities.

8) MEANS OF COMMUNICATIONS :

The Company does not send its half-yearly reports to each household of shareholders as the same is not required to be sent legally.

The Quarterly, half-yearly and full year results were published in the Free Press Journal and Navshakti News papers.

The Company's financial results have been sent to the Regional Stock Exchange on which the Company is listed in a prescribed form so as to enable the Stock Exchange to put them on their own web sites.