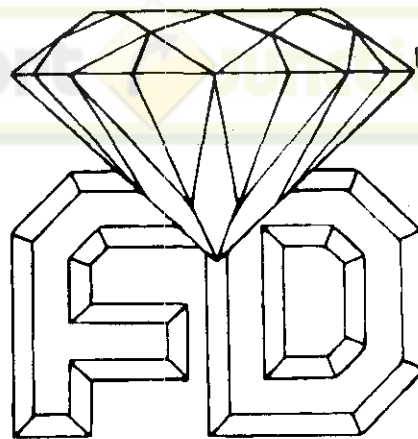


11th ANNUAL REPORT
1999-2000



*Flawless Diamond
(India) Ltd.*

FLAWLESS DIAMOND (INDIA) LIMITED

BOARD OF DIRECTORS

Uttamchand A.Jain	Chairman
Bhawar U.Jain	Managing Director
Bhanwarlal.M.Sankhala	
Kamal U.Jain	
Ramesh Pilani	
Anil U.Jain	

AUDITORS

Suresh Anchaliya & Co.
Chartered Accountants

BANKERS

The Bank of Rajasthan Ltd.
State Bank Of India.

REGISTERED OFFICE

120, Prasad Chambers,,
Opera House, Mumbai-400 004.

WORKS

27,Manish Industrial Estate No.5
Village Navghar,
Vasai Road, Dist. Thane(Mah.) - 401 202.

401, Harsh Park,
Kalapesee Street, Nanpura, Surat.

REGISTRAR & SHARE TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka,
Mumbai - 400 059.
Phone : 850 3748/859 0942 Fax : 859 0942.

11th Annual General Meeting

on

12th September, 2000
at 4.00 P.M

at

Preview Theatre
Novelty Chambers, 2nd Floor,
Grant Road, Mumbai - 400 007.

NOTICE

NOTICE IS HEREBY GIVEN THAT the Eleventh Annual General Meeting of Flawless Diamond (India) Limited will be held on Tuesday, the 12th Day of September, 2000 at 4.00 P.M. at Preview Theatre, Novelty Chambers, Grant Road, Mumbai 400 007, to transact the following business:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended on that date and reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Bhanwarlal M. Sankhala who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Shri. Ramesh Pilani who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint a Director in place of Shri. Kamal U. Jain who retires by rotation and being eligible, offer himself for re-appointment.
5. To appoint Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of next Annual General Meeting and to fix their remuneration.

For and on Behalf of the Board of Directors

Registered Office

120, Prasad Chambers,
Opera House,
Mumbai - 400 004

Dated : 1st August, 2000

UTTAMCHAND A. JAIN
Chairman

NOTES :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member of the Company. However proxy forms should be deposited at the registered office of the company not later than 48 hours before commencement of the meeting.
2. The register of members and share transfer books of the company will remain closed from 1st September, 2000 to 12th September, 2000 (both days inclusive).
3. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.
4. Members are requested to bring their attendance slip, duly filled in and signed for attending the meeting.

FCR FLAWLESS DIAMOND (INDIA) LIMITED.
MANAGING DIRECTOR.

FLAWLESS DIAMOND (INDIA) LIMITED**DIRECTORS' REPORT****TO THE MEMBERS**

The Directors hereby present their Eleventh Annual Report and the Audited Accounts for the financial year ended 31st March, 2000.

FINANCIAL RESULTS

	Year ended 31st March, 2000 Rs. '000	Year ended 31st March, 1999 Rs. '000
Operating Profit	1691	3395
Less : Loss on sale of machinery	3046	—
Profit before Depreciation	(-) 1355	3395
Less : Depreciation	1346	2062
Profit before tax	(-) 2701	1333
Less : Provision for taxation	10	377
Profit after taxation	(-) 2711	956
Add : Balance Brought Forward from the previous year	46162	45206
Amount available for appropriation	<u>43451</u>	<u>46162</u>
APPROPRIATION		
1. Dividend	-	-
2. Transfer to General Reserves	-	-
3. Balance Carried to Balance Sheet	<u>43451</u>	<u>46162</u>
	<u>43451</u>	<u>46162</u>

OPERATIONAL REVIEW

During the year under review, the Company has achieved turnover of Rs.4798.42 lakhs as compared to Rs. 2931.28 lakhs in the previous year.

EXPORTS

The company has made an export turnover of Rs.1030.88 lakhs as compared to Rs.1927.28 lacs in the Previous Year. Your directors are doing their sincere effort to increase the exports.

JEWELLERY

During the year under review your Director have sold the Jewellery Manufacturing plant as the same was not running to its installed capacity, further based on the earlier years performance it was not a viable working hence it was decided to sale the whole unit of Jewellery Manufacturing.

DIVIDEND

The Board do not recommend dividend, in view of loss during the year. The Earlier year profit has been retained for its working capital requirements, and to strengthen reserves.

DIRECTORATE

Pursuant to Article 164 of the Articles of Association of the Company, Shri.Bhanwarlal M. Sankhala, Shri.Kamal U.Jain and Ramesh Pilani retires by rotation at the forthcoming Annual General Meeting, and being eligible, offer themselves for reappointment.

DEPOSITS

Your company has not invited or accepted any public deposits during the year.

AUDITORS

You are requested to appoint Auditors for the current year and to fix their remuneration. M/s. Suresh Anchaliya & Co., Chartered Accountants, the retiring Auditors are eligible for reappointment.

FOR FLAWLESS DIAMOND (INDIA) LIMITED,