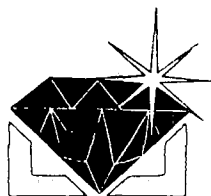


MD		BKC	
CS	MA	DPY	MA
RO		DIV	MA
TRA	MA	AC	✓
AGM	✓	SHI	✓
YE	✓		✓

FOURTH ANNUAL REPORT 1997-98

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LASER DIAMONDS LIMITED

LASER DIAMONDS LIMITED**BOARD OF DIRECTORS**

1. Mr. Lalit Kumar Samdaria, (Managing Director)
2. Mr. Rikhab Chand Samdaria, (Director)
3. Mrs. Kanchan Samdaria, (Director)
4. Mrs. Hemlatha Samdaria, (Director)
5. Mr. Trilok Chand Chordia, (Director)
(Alternate Director to Mrs. Hemlatha Samdaria)

BANKERS

1. Bank of America, Chennai
2. Punjab National Bank, Chennai

AUDITORS

M/s R. Subramanian & Co.
Chartered Accountants
Chennai

REGISTERED OFFICE

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

FACTORY

SDF Phase II
Shed No. 30
MEPZ, Tambaram,
Chennai - 600 045,

CONTENTS	Page
Notice of Shareholders	1
Director's Report	2
Auditor's Report	4
Balance Sheet	6
Profit and Loss Account	7
Annexures	8
Notes on Accounts	11
Balance sheet Abstract and Company's General Business Profile	13
Cash flow statement	14

LASER DIAMONDS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourth Annual General Meeting of the members of Laser Diamonds Limited will be held on Tuesday 29th September 1998 at 11.00 A.M. at "Ragaas", 1st Avenue, Shastri Nagar, Chennai - 600 020.

ORDINARY BUSINESS:

1. To consider and adopt the audited accounts of the company for the financial year ended March 31, 1998 Balance Sheet as at that date and the report of the Directors and Auditors there on
2. To elect a Director in the place of Mrs. Kanchan Samdaria who retires by rotation and being eligible offers herself for re-election.
3. To elect a Director in the place of Mrs. Hemlatha Samdaria who retires by rotation and being eligible offers herself for re-election.
4. To appoint Auditors and fix their remuneration. The retiring auditors M/s. R. Subramanian & Co., Chartered Accountants, Chennai are eligible for reappointment.

Place : Chennai.
Date : 29.08.98

By order of the Board
RIKHAB CHAND SAMDARIA
Director.

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NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member. A blank proxy form is sent herewith. The instrument appointing the proxy should be deposited at the registered office of the company no less than 48 hours before the commencement of the meeting.
2. An explanatory statement pursuant to section 173 (2) of the companies Act, 1956 in respect of item No. 5 of the notice is annexed hereto.
3. The Register of members and share transfer books of the company will remain closed from 19th September to 26th September 1997 (both days inclusive).
4. Members desiring any information/clarification on the accounts are requested to write to the company at least 10 days in advance, so as to enable the management to keep the information ready at the Annual General Meeting.
5. Members are requested to bring their copies of the Report to the meeting. Members are also requested to bring the Attendance slip duly filled in and handover the same at the entrance of the meeting hall.

Place : Chennai
Date : 29.08.98

By order of the Board
RIKHAB CHAND SAMDARIA
Director

LASER DIAMONDS LIMITED

DIRECTORS' REPORT

The directors have pleasure in presenting the Annual Report of your company along with the Audited statement of accounts for financial year ended March 31, 1998.

The financial results are briefly indicated below:

PARTICULARS

	(Rs. in Thousands) Year ended 31.3.98
Net Sales	4918
Total Expenditure	2517
Gross Profit before interest	2424
Interest and Finance charges	18
Depreciation	926
Provision for Taxation	—
Profit after Tax	2443
Balance carried to Balance sheet	9100

PERFORMANCE

Your company achieved an export turnover of 48.18 lakhs during the year. Non delivery of some of the key machineries by our machinery supplier and some of the machineries delivered being of sub-standard quality hampered our production.

Your company is expected to do well in the next financial year.

BUSINESS OUT LOOK

Your company is running a Non Trading office in Los Angeles (USA) to promote the company's exports and foreign exchange earnings.

COMPANY ACTIVITIES

Your company has not received delivery of Double spindle Bruting Machines from our machinery supplier to whom necessary advances have been made. The EGS rotating bruting sticks bought by your company was found to be of substandard quality and could not be put to use. Your company has proceeded legally against such suppliers for loss of production/profit and recovery of dues.

ECONOMIC SCENE

Recession in the diamond industry stagnated our growth. We expect a vibrant economy in the coming year to boost our growth.

For and on behalf of the Board of Directors.

Place : Chennai.

RIKHAB CHAND SAMDARIA

Date : 29.08.98.

Director.

ANNEXURE TO DIRECTORS REPORT

Particulars as required under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988.

A) CONSERVATION OF ENERGY

The Company's operations involve low energy consumption. However efforts for conservation of energy in all areas are made on a continuous basis which has resulted in bringing down the consumption of fuel and electricity.

B) TECHNOLOGY ABSORPTION

1) Research and Development

i) Specific areas in which R & D is carried out by the company.

a) Designing and devising improved/cost efficient means.

b) Developing test methods of meet the foreign buyer specifications and in-house designing.

ii) Benefits derived as a result of R & D.

a) Improvement in productivity

b) Cost control and cost reduction

c) Improvement in quality

d) Wider product display facilitating customers to have better choice

iii) Expenditure on R & D

Negligible

LASER DIAMONDS LIMITED

2) Technology Absorption, Adoption and Innovation

No technology is adapted. Company conducts in-house programme of technical personnel in manufacturing, process, quality, design etc

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Export continues to be a priority and thrust area for the Company being 100% EOU. The earnings and outgo on foreign exchange during the year under review were as under:-

Earnings	Rs.51,72,200/-
Expenditure	Rs. 3,54,200/-

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in Annexure which forms part of this report.

PARTICULARS OF EMPLOYEES

As no employee was in receipt of remuneration of Rs. 25,000/- per month or Rs. 3,00,000/- per annum, report in accordance with Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) rules, 1975 is not furnished.

AUDITORS

M/s. Subramanian & Co. Chartered Accountants, the Auditors of the Company, retire at the Annual General Meeting and are eligible for re-appointment.

ACKNOWLEDGEMENT

The company is grateful for the cooperation and assistance extended by MEPZ, Government of Tamil Nadu, Banks and all the employees of the Company for their sustained dedication.

Place : Chennai.
Date : 29.08.98

For and on behalf of the Board of Directors
RIKHAB CHAND SAMDARIA
Director.