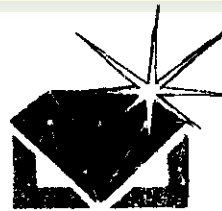


FIFTH ANNUAL REPORT 1998-99

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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, Veerapalan Street,
Sowcarpet,
Chennai - 600 079.

FACTORY

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

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LASER DIAMONDS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the ^{4th} Annual General Meeting of the members of M/s Laser Diamonds Limited will be held on Wednesday the 29th September 1999 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, 1999 Balance Sheet as at that date and the report of the Directors and Auditors thereon.
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 elect a Director in the place of Mr. Trilokchand Chordia who retires by rotation and being eligible offers himself for re-election.
5. 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 : 29-8-99

By order of the Board
RIKHAB CHAND SAMDARIA
Director.

SPECIAL BUSINESS:

To consider and if deemed fit, to pass with (or) without modification the following resolutions as special resolution.
"It is hereby Resolved that the membership of the Ahmedabad Stock Exchange of the Company be withdrawn with effect from the date as decided by Directors and the said exchange may be advised accordingly."

"Further Sri Trilokchand Chordia, a Director of the company is hereby authorised to communicate the above resolution to the said exchange and complete all other formalities in respect of the same."

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 not 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 22nd September to 29th September 1999 (both days inclusive).
4. Members desiring any information/clarification on the accounts are requested to write to the company atleast 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 : 29-8-99

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 the financial year ended March 31, 1999.

The financial results are briefly indicated below:

PARTICULARS

	(Rupees)
	(Year ended 31.3.99)
Net Sales	1313248
Total Expenditure	3165060
Gross Profit before Interest	635843
Interest and Finance charges	912761
Depreciation	—
Provision for Taxation	—
Profit after Tax (Loss)	(1548604)
Balance carried to Balance sheet	(10648945)

PERFORMANCE

your company could have only one Export of Rs.12,37,000/- during the year due to Paucity of funds.

Non delivery of some of the key machineries by our machinery suppliers and some of the machinery received from them being of sub-standard quality no production activity could be done. Further your directors have filed two legal suits claiming refund of monies paid to them with interest for non supply of the machinery and the other for damages for supply of substandard quality of the machinery and the same are still pending in the High court of Judicature at Madras.

On account of paucity of funds and less turnover the maintenance of Non-trading office at Los Angeles became unremunerative and the directors decided to close the same.

Your directors have also adopted measures in economising the expenditure of the company. You are all aware that our company is listed at madras, Mumbai and Ahmedabad exchanges, which is a heavy burden on the finances of the company. In addition due to the introduction of electronic clearing at Mumbai the purpose of being a member of Ahmedabad exchange is not served. Hence it has been decided by the Board to withdraw the membership of that exchange. But such delisting requires the approval of the shareholders in the Annual General Meeting. Hence these resolutions are placed for approval.

Due to certain unavoidable reason the Registration of the property in the name of the company could not be completed as promised by the Directors in the last Annual General Meeting.

During the last General Meeting two whole time Directors were appointed but on account of the decrease in business one of the whole time Director, resigned and only one Director is now managing the company as a whole time director.

Your Directors tried their best to see that the shares are being quoted at the Stock Exchanges but on account of the poor performance of the company the same could not fructify.

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.

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 : 29-8-99

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