

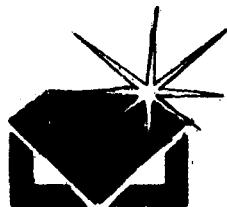
## **NINETH ANNUAL REPORT 2002-2003**

*Certified True Copy:*

**For LASER DIAMONDS LIMITED**

*Rehabchand*

**Director.**



# **LASER DIAMONDS LIMITED**

**LASER DIAMONDS LIMITED**

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**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)

**BANKERS**

1. Punjab National Bank, Chennai
2. The Vysya Bank Ltd., 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.

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## LASER DIAMONDS LIMITED

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### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Ninth Annual General Meeting of the members of M/s Laser Diamonds Limited will be held on Friday the 26th September 2003 at 11.00 A.M. at "Ragaas", No. 47, 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, 2003 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 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 : 11.8.2003

By order of the Board  
**RIKHAB CHAND SAMDARIA**  
Director

#### NOTES:

1. A member 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 duly stamped and signed by the member.
2. An explanatory statement pursuant to section 173 (2) of the companies Act, 1956 in respect of Item No. 2 & 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 2003 (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 : 11.8.2003

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, 2003.

The financial results are briefly indicated below:

PARTICULARS	(Rupees) (Year ended 31-3-2003)
Net Sales	258225
Other Income	48000
Total Expenditure	635231
Gross Profit before Interest	(329006)
Interest and Finance charges	NIL
Depreciation	898511
Provision for Taxation	NIL
Profit after Tax (Loss)	(1227517)
Balance carried to Balance sheet	(1227517)

**PERFORMANCE**

Your company sold the stock at Reliasable value. Your company could not make any export during the year due to Paucity of funds, Non delivery of some of the key machinerles 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.

**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 co-operation and assistance extended by MEPZ, Government of Tamil Nadu, Banks and all the employees of the Company for their sustained dedication.

Place : Chennai  
Date : 11.8.2003

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

**LASER DIAMONDS LIMITED****R. Subramanian & Co.,**

Chartered Accountants

Old No. 36, New No. 6, Krishnaswamy Avenue,  
Mylapore, Chennai - 600 004.

Phone : 4992261, 4991347, 4994231

Fax : 91-44-4991408

Email : rs\_company@yahoo.com

**AUDITORS REPORT TO THE SHARE HOLDERS**

We have audited the attached Balance Sheet of M/s. LASER DIAMONDS LTD as at 31st March 2003 and the Profit & Loss Account of the Company for the year ended on that date annexed thereto, and the cash flow statement for the year ended on that date. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Manufacturing & Other Companies (Auditors Report) order 1988, issued by the Central Government in terms of section 227 (4A) of the Companies Act 1956, we annex hereto a statement on the matters specified in the said order.
- 2) Further to our comments in the Annexure referred to in paragraph (1) above :
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, Profit & Loss Account and the cash flow statements dealt with by this report are in agreement with the books of Accounts furnished to us.
  - d) In our opinion the profit and loss Account and the balance sheet and the cash flow statement dealt with by the report comply with the Accounting Standards referred to in the sub section (3 c) of section 211 of the companies Act to the extent such standards have been made applicable by the Institute of Chartered Accountants of India.
  - e) On the basis of written representations received from the directors as on 31st March 2003 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March 2003, from being appointed as a director, in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956.
  - f) Attention is invited to the following :
    - (i) NOTE NO.: 2 REGARDING NON RECONCILIATION OF CERTAIN BANK ACCOUNTS AND CONSEQUENTIAL ADJUSTMENTS THAT MAY ARISE ON RECONCILIATION, WHICH ARE UNASCERTAINABLE AT THIS STAGE;
    - (ii) NOTE NO.: 3 REGARDING THE VALUE OF BUILDING BROUGHT TO BOOKS OF ACCOUNTS AT RS. 20,00,000 AND ALLOTMENT OF EQUITY SHARES FOR THE SAID AMOUNT TOWARDS CONSIDERATION THEREOF BASED ON AGREEMENT OF SALE EXECUTED WITH THE COMPANY AND HANDING OVER OF POSSESSION, WITHOUT ACTUAL CONVEYANCE DEED AND REGISTRATION OF THE PROPERTY BEING COMPLETED;
    - (iii) NOTE NO.: 4 REGARDING ADVANCES FOR MACHINERIES AMOUNTING TO RS. 67.51 LAKHS DOUBTFUL OF RECOVERY, THE AMOUNT OF LOSS TO BE PROVIDED FOR IS UNASCERTAINABLE AT THIS STAGE.
    - (iv) NOTE NO.: 5 REGARDING NON-RECEIPT OF CONFIRMATION OF BALANCES IN RESPECT OF LOANS AND ADVANCES, SUNDRY CREDITORS AND OTHER LIABILITIES. ADJUSTMENT IF ANY WHICH MAY ARISE ON CONFIRMATION AND CONSEQUENT RECONCILIATION IS NOT ASCERTAINABLE AT THIS STAGE;
    - (v) NOTE NO.: 7 REGARDING NON PROVISION OF LEASE RENT PAYABLE TO MEPZ AUTHORITIES THE AMOUNT OF WHICH IS NOT ASCERTAINABLE IN THE ABSENCE OF REQUIRED INFORMATION.
    - (vi) THE DIMINUTION IF ANY ON THE REALISABLE VALUE OF PLANT & MACHINERIES AND OTHER FIXED ASSETS WHICH ARE BEING CARRIED OVER FOR MORE THAN THREE YEARS WITHOUT BEING PUT TO USE, IS NOT ASCERTAINABLE AND NOT PROVIDED FOR IN VIEW OF NON-AVAILABILITY REQUISITE DATA.
    - (vii) THE ACCOUNTS HAVE BEEN PREPARED ON PRINCIPLES APPLICABLE TO A "GOING CONCERN" WE BELIEVE THAT PREPARATION OF ACCOUNTS OF THE COMPANY ON "GOING CONCERN" BASIS IS NOT REALISTIC IN VIEW OF THE SIGNIFICANT EROSION IN NETWORTH AND HAVING REGARD TO NON EXISTENCE OF SIGNIFICANT OPERATIONS AND NON ASCERTAINMENT OF DIMINUTION ON THE REALISABLE VALUE OF PLANT & MACHINERY AND OTHER FIXED ASSETS WHICH ARE BEING KEPT WITHOUT BEING USED FOR MORE THAN CONSIDERABLE PERIOD. THE EFFECT OF ALL THE ABOVE QUALIFICATIONS ON THE PROFIT AND LOSS ACCOUNT AND STATEMENT OF AFFAIRS IS UNASCERTAINABLE AND HENCE NOT QUANTIFIED.
  - g) IN VIEW OF THE ABOVE QUALIFICATIONS, WE ARE OF THE OPINION THAT THE ACCOUNTS OF THE COMPANY DO NOT PRESENT A TRUE AND FAIR VIEW.
    - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2003.
    - ii) In the case of Profit & Loss Account of the Loss of the company for the year ended on that date.
    - iii) In the case of cash flow statement, of the cash flows for the year ended on that date.

For R. SUBRAMANIAN &amp; CO.,

Chartered Accountants.

A.S. RAMANATHAN

Partner [M. No.11072]

Place : CHENNAI  
Date : 11.08.2003