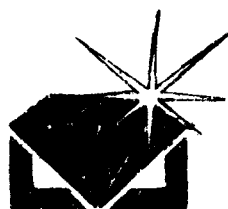


# **TENTH ANNUAL REPORT 2003-2004**

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## **LASER DIAMONDS LIMITED**

**LASER DIAMONDS LIMITED**

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**BOARD OF DIRECTORS**

1. Mr. Lalit Kumar Samdaria, (Director)
2. Mr. Rikhab Chand Samdaria, (Director)
3. Mrs. Kanchan Samdaria, (Director)
4. Mrs. Hemlatha Samdaria, (Director)

**BANKERS**

1. Standard Chartered Bank, Chennai
2. The Vysya Bank Ltd., Chennai

**AUDITORS**


M/s Bharat Kumar N. Jain  
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 10th Annual General Meeting of the company will be held on Thursday the 30<sup>th</sup> December 2004 at 10.30a.m. at "RAGAAS" No.47, 1<sup>st</sup> Avenue ,Shastri Nagar,Chennai-600 020 for transacting the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the profit & loss account of the company for the financial year ended 31-3-2004 and the balance sheet as at 31-3-2004 together with the director's report and auditor's report thereon.
2. To appoint director in the place of director who retires by rotation.
3. To appoint auditors and fix their remuneration.

Date : 29.11.2004  
Place : Chennai

By Order of the Board  
for Laser Diamonds Limited  
sd/- **RIKHABCHAND SAMDARIA**  
Director

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
2. Shareholders / proxy holders are requested to bring their copy of the annual report with them at meeting and to produce at the entrance the attached admission slip duly completed and signed, for admission to the meeting hall.
3. Members desirous of getting any information about the accounts and operation of the company are requested to address their query to the company at the registered office of the company well in advance so that the same may reach at least seven days before the date of meeting to enable the management to keep the required information readily available at the meeting.
4. The Register of Members of the Company will remain closed from 23/12/2004 to 30<sup>th</sup> Day of December 2004.

Place : Chennai  
Date : 29.11.2004

By order of the Board  
**RIKHABCHAND SAMDARIA**  
Director

**LASER DIAMONDS LIMITED****DIRECTORS' REPORT**

Dear Shareholders,

We have pleasure in presenting the 10th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2004.

**FINANCIAL RESULTS**

	(Rs.in '000)	(Rs.in '000)
	Year ended	Year ended
	31.03.2003	31.03.2004
	(Audited)	(Audited)
Income	306	9048
Total Expenditure	1533	9662
Nett Loss	1227	614

**ORDINERY**

The company has tried its level best to export but then as every business has its own cycle and in the recent past the diamonds industry has not done well and the situation has neither improved. There were many constraints faced by the company which were prevailing in the market. Our company could not make the exports as envisaged 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/processing activity could be started. Further the legal suits for 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 are still pending in the Honorable High court of Madras. As a result of which we are not able to report satisfactory performance.

We do not foresee any major change in the year 2004-05 as the industry will remain stagnant. The company is planning for different business strategy / opportunities as per the objects of the company and negotiations are on with so that the operations of the company can be improved. The Company is well positioned in the industry due to sound business strategy.

As required under Corporate Governance, the Management's Discussion and Analysis Report which is forming a part of this report, is a reflection of the current state of business. It also deals with the opportunities and challenges faced by your Company and the outlook in future.

**STATUTORY DISCLOSURES:**

The company had no employee covered by the provisions of section 217(2A) of the Companies Act, 1956. The company has no activity relating to Conservation of Energy, or Technology Absorption. There was no foreign exchange outflow but had a foreign exchange inflow of Rs.85.88 lacs (PY.Rs.2.58 lacs) during the year.

**DIRECTORS :**

Mr. Rikhabchand Samdaria retires by rotation and offer himself for reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to provisions of Section 217(2AA) of the Companies Act, 1956, It is hereby confirmed:

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures to the extent possible ;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments 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 31st March, 2004 and of the profit or loss of the Company for the year ended 31st March, 2004;

## LASER DIAMONDS LIMITED

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3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Director had prepared the annual accounts on a going concern basis.

### Auditors Qualification :

In the recent past the directors have not made any comments on qualifications made by the erstwhile auditors M/S R.SUBRAMANIAM & CO, as we felt that these kinds of qualification and remarks doesn't have bearing on the financial results of the company. But now as the exchanges has asked us to clarify these qualifications , The directors would like place on record their comments to the qualifications made by company's erstwhile auditors M/S SUBRAMANIAM & CO., .We hereby convey to the shareholders that we have adopted the same kind of accounting practices from the incorporation of the company and had made available the same kind of information / books for the auditors for their audit . However the auditors had their own personal approach in interpreting the same issues in different ways for different accounting years and we opine that these kinds of qualification had been made without seeking any information from the director and these qualifications were exaggerated ones without any reasoning.

### Auditors

Mr.BHARAT KUMAR .N.JAIN , Chartered Accountant, Chennai, Company's Auditors, retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

### Corporate Governance

The company has complied with all the mandatory requirements of corporate Governance norms as enumerated in clause 41 of the Listing Agreement with the Stock Exchange To the extent possible by it . A report of compliance of Corporate Governance is annexed together with a Certificate from the auditors of the company on compliance.

### General

Your Board of Directors is grateful to the Bankers, Suppliers, Customers and the shareholders for the support extended from time to time. Your Board of Directors also wish to place on record the whole hearted cooperation given by employees, at all levels, during the year.

Date : 29.11.2004

Place : Chennai

for LASER Diamonds Ltd.  
sd/- Rikhabchand Samdaria  
Chairman

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1. OVERALL REVIEW

The operations of the Company were stagnant. Poor margins & increased overheads have adversely affected the results of the company .

### 2. INDUSTRY OUTLOOK

We do not foresee any major change in the year 2004-05 as the industry faced the same kind of pressure.This trend is expected to continue.

### 3. OPPORTUNITIES

The company is planning for different business strategy / opportunities as per the objects of the company and negotiations are on with different players in the industry so that the operations of the company can be made more profitable and profitability of the company can in turn be improved.

### 4. CHALLENGES

Pending Legal Suits , Tight Financial Conditions , margins under pressure and financial condition of the company to be improved , these are the few challenges before the company.

## LASER DIAMONDS LIMITED

### 5. COMPANY OUTLOOK

The Company is though financially weak but is certain it can improve the pending issue are resolved .

### 6. RISK AND CONCERNS

Prices of raw stones , legal issues , Processing cost ETC. are few concerns which has to be addressed from time to time .

### 7. INTERNAL CONTROL SYSTEMS AND ADEQUACY

The company have adequate internal control mechanism commensurating with the size of operations of the company. The management continuously reviews the internal control system and procedures. Critical review is also done to reduce non value added paper work.

### 8. CAUTIONARY STATEMENT

Certain statements in this report on "Management's Discussion and Analysis" are forward looking statements and which have been issued as required by applicable Securities Laws and Regulations. There are several factors which would be beyond the control of Management and as such, may affect the actual results which could be different from that envisaged

### CORPORATE GOVERNANCE REPORT

#### 1. Board of Directors

As on the date of this report, the Board of Directors of the Company consists of 3 members. The Company has no independent directors, though the board has tried its best to invite independent director but as the company is a loss making company no body is interested to join our company's board . There was no change in the board during the year.

#### 2. Number of Board Meetings and Attendance Record of Directors :

Details of 7 Board Meetings held during the year :

12.04. 2003, 30.04.2003, 21.07.2003 , 11.08.2003 , 01.09.2003, 31.10.2003 and 31.01.2004

The attendance at Board Meetings and last Annual General Meeting (AGM) and the number of other directorship and committee memberships / chairmanships of directors is given below:

Name of the Director	Executive/ Non Executive	Attendance In board Meeting Held / Attended	Attendance In Last AGM	Other Board Director/Committee Chairman/Committee Member
Mr.Rikhabchand	Non	7/7	Yes	Nil
Mrs.Kanchan	Non	7/7	Yes	Nil
Mr.Lalith	Non	7/1	No	Nil
Mrs.Hemlata	Non	7/1	No	Nil

"No. of directorships in other companies excludes alternate directorships, directorships held in private limited companies and in companies under section 25 of the companies Act, 1956.

\*\* Only membership / chairmanship of audit committee, share / debenture investor's grievance committee, Remuneration committee have been included.

Changes in the composition of Board during the year 2003-04:

There were no changes in the composition of the board during 2003-2004.

#### 3. Directors' Interest In the Company :

No director has been paid any remuneration as the Directors of the Company .

#### 4. Shareholders / Investors Grievance Committee :

A Shareholders / Investors Grievance Committee has been constituted by the Board to monitor the redressal of the shareholders/investors grievances. The Committee reviews the status of complaints received from shareholders / investors and redressal thereof. A status report of shareholders complaints and redressal thereof is prepared and placed before the Shareholders / Investors Grievance Committee.