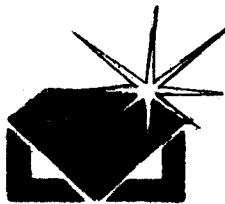


# **ELEVENTH ANNUAL REPORT 2004-2005**

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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 Mr. Sajjan Chand, (Director)
- 4 Mr. S. Goutham, (Director)

**BANKERS**

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

**AUDITORS**

M/s Bharat Kumar N. Jain  
Chartered Accountants  
376, Mint Street, 2nd Floor  
Chennai - 600 079.

**REGISTERED OFFICE**

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

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**LASER DIAMONDS LIMITED****NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 11th Annual General Meeting of the Company will be held on Friday the 30<sup>th</sup> September 2005 at 10.30 a.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 31.3.2005 and the balance sheet as at 31.3.2005 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.

**SPECIAL BUSINESS:**

- a. To appoint Mr. Sajjan Chand as a Director who was appointed as an Additional Director during the year and who holds the office upto the date of the forth coming Annual General Meeting and for this purpose to consider and if thought fit to pass with or without modification the following as an Ordinary Resolution. (Notice of intension to move the same having been received from a member along with the deposit of Rs.500/- under section 257 of the Companies Act 1956).

"RESOLVED that Mr. Sajjan Chand be and is hereby appointed as a Director of the Company", liable to retire by rotation.

- b. To appoint Mr. S. Goutham as a Director who was appointed as an Additional Director during the year and who holds the office upto the date of the forth coming Annual General Meeting and for this purpose to consider and if thought fit to pass with or without modification the following as an Ordinary Resolution. (Notice of intension to move the same having been received from a member along with the deposit of Rs.500/- under section 257 of the Companies Act 1956)

"RESOLVED that Mr. S. Goutham be and is hereby appointed as a Director of the Company", liable to retire by rotation.

Date : 31.8.2005

Place : Chennai

By Order of the Board  
for Laser Diamonds Limited  
**RIKHABCHAND SAMDARIA**  
Sd/-  
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 23.09.2005 to 30.09.2005.
5. The Explanatory Statement pursuant to Sec.173 (2) of the Companies Act, 1956 is annexed hereto.

**EXPLANATORY STATEMENT**

6. Mr. Sajjan Chand was appointed as Additional Director at the meeting of the Board of Directors held on 04.07.2005 and hold the office up to the date of the Annual General Meeting. Notice has been received from a member proposing Mr. Sajjan Chand as Candidate for the Office of the Director.
7. Mr. S. Goutham was appointed as Additional Director at the meeting of the Board of Directors held on 04.07.2005 and hold the office up to the date of the Annual General Meeting. Notice has been received from a member proposing Mr. S. Goutham as Candidate for the Office of the Director.
8. None of the Directors of the Company except Mr. S. Goutham and Mr. Sajjan Chand is in any way concerned or interested in the above resolution of the Company.

Place : Chennai

Date : 31.8.2005

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

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

Dear Shareholders,

We have pleasure in presenting the 11th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2005.

**FINANCIAL RESULTS**

	(Rs.in '000)	(Rs.in '000)
	Year ended 31.03.2005 (Audited)	Year ended 31.03.2004 (Audited)
Income	7062	9048
Total Expenditure	8317	9662
Nett Loss	1255	614

**BUSINESS OPERATIONS:**

The company has tried to maximise its export business, but due to adverse business environment and due to severe financial crunch it has not done well. Also there were no manufacturing activities has been carried out at the factory. The management decided to close its operation at its MEPZ unit. Accordingly the unit at MEPZ has been handed over to MEPZ authority during the year.

Trading of Diamonds are good at present and hence the management has decided to concentrate on this.

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.69.24 lacs (P.Y. Rs.85.88 lacs) during the year.

**DIRECTORS :**

Mr. Lalit 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, 2005 and of the profit or loss of the Company for the year ended 31st March, 2005;
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.

## LASER DIAMONDS LIMITED

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### 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 : 22.08.2005

Place : Chennai

for LASER Diamonds Ltd.  
Rikhabchand Samdaria  
Sd./-  
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. The operation at MEPZ unit has been withdrawn.

### 2. INDUSTRY OUTLOOK

We do not foresee any major change in the year 2005-06 as the industry faced the same kind of pressure. This trend is expected to continue.

### 3. OPPORTUNITIES

The Trading activities in these business are more profitable and presently the company is concentrating on trading and exporting of Diamonds.

### 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.

### 5. COMPANY OUTLOOK

The Company is though financially weak but is certainly if 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

## LASER DIAMONDS LIMITED

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 4 members including 2 independent non executive director. Mr. Sajjan Chand and Mr. S. Goutham independent non executive Director were appointed on 04.07.2005.

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

Details of 7 Board Meetings held during the year :

14.04.2004, 30.04. 2004, 31.07.2004, 07.08.2004, 02.09.2004, 30.10.2004 and 31.01.2005.

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	7/2	Yes	Nil
Mrs. Hemlata	Non	7/2	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 2004-05:

There were no changes in the composition of the board during 2004-2005.

#### 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.

#### 5. Share Transfer System

A Share Transfer Committee of Directors has been constituted by the Board. The Board has also delegated the power of share and debenture transfer to officers of the Company. The delegated authorities attend to share and debenture transfer formalities once in a month. Transfer of shares / debentures are processed and registered within the stipulated time, provided all the documents are valid and complete in all respect. Share/debenture transfers approved by the delegated authorities are placed at the Board Meeting from time to time. As on 31.03.2005 no shares / debentures are pending for transfer for more than 15 days.

The Company's has appointed M/s CAMEO CORPORATE SERVICES LTD. as its Share Transfer Agent for both physical and demat segment of equity shares and debentures.