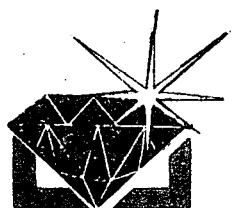


# **THIRTEENTH ANNUAL REPORT 2006-2007**

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# **LASER DIAMONDS LIMITED**

**LASER DIAMONDS LIMITED**

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**BOARD OF DIRECTORS**

1. Mr. Lalit Kumar Samdaria
2. Mr. Rikhab Chand Samdaria
3. Mr. Sajjan Chand
4. Mr. S. Goutham

**BANKERS**

1. ABN Amro Bank,  
No.19/1, Haddows Road, Nungambakkam, Chennai-600 006.

**AUDITOR**

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 13<sup>th</sup> Annual General Meeting of the Company will be held on Friday the 28<sup>th</sup> day of September 2007 at 10:30 AM at "RAGAAS" No:47, 1<sup>st</sup> Avenue, Shastri Nagar, Chennai – 600020 for transacting the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Profit and Loss account of the Company for the financial year ended 31.03.2007 and the balance sheet as at 31.3.2007 together with the director's report and auditor's report thereon.
2. To appoint Director in place of Mr. S. Goutham who retires by rotation being eligible offer himself for reappointment.
3. To appoint Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company at a remuneration to be decided by the Board of Directors.

Date : 31.8.2007

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 22.09.2007 to 28.09.2007.

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

Dear Shareholders,

We have pleasure in presenting the 13th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2007.

**FINANCIAL RESULTS**

	(Rs.in '000)	(Rs.in '000)
	Year ended 31.03.2007 (Audited)	Year ended 31.03.2006 (Audited)
Income	21240.70	10110
Total Expenditure	19212.04	10293
FBT	28.38	-
Nett Profit/Loss	2000.28	(183)

**BUSINESS OPERATIONS:**

The company has continued its Export activities and has improved its performance compared to last year.

There is no manufacturing activities carried out during the financial year 2006-07. Hence no depreciation is being provided on Machinery.

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.

The company has already taken necessary steps to revoke the suspension of Trading activities at Bombay Stock Exchange.

**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.200.48 lacs (PY. Rs.100.54 lacs) during the year.

**DIRECTORS :**

Mr. S. Goutham 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, 2007 and of the profit or loss of the Company for the year ended 31st March, 2007;
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 himself 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 and CEO 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 : 25.08.2007

Place : Chennai

for Laser Diamonds Ltd.

Sajjanchand

Sd./-

Director

Rikhabchand Samdaria

Sd./-

Chairman

### MANAGEMENT'S DISCUSSION AND ANALYSIS (Annexure-A)

#### 1. OVERALL REVIEW

The operation of the Company has improved and it has reduced its Loss Compare to its previous year.

#### 2. INDUSTRY OUTLOOK

We do not foresee any major change in the year 2007-08 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 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

**LASER DIAMONDS LIMITED****STATEMENT AND REPORTS ON CORPORATE GOVERNANCE:****A MANDATORY REPORTS ON CORPORATE GOVERNANCE:****I. Company's Philosophy on Corporate Governance:**

The Company's philosophy is aimed at exhibiting maximum transparency to the investors by providing them with more information. This is done not only with the information that are to be revealed under mandatory provisions but also with those information which according to the Management and the Board are relevant to the investors and other Statutory Authorities to whom these Reports are addressed to:

**II. BOARD OF DIRECTORS:**

Name	Designation	Category	No of Board Meetings attended during 2006-07	Whether attended the Last AGM	No of Directorships in public companies	No of other Board committees in which he/she is Member or Chairperson
Mr. Lalit Kumar Samdaria	Director	Executive	6	Yes	Nil	Nil
Mr. Rikhabchand Samdaria	Director	Executive	6	Yes	Nil	Nil
Mr. S. Goutham	Director	Non-Executive	6	Yes	Nil	Nil
Mr. Sajjanchand	Director	Non-Executive	6	Yes	Nil	Nil

**BOARD MEETINGS:**

Seven Board Meeting were held on the following dates:

22.4.2006, 31.7.2006, 25.8.2006, 1.9.2006, 31.10.2006 and 31.1.2007.

None of the Directors is member in more than 10 committees or acting as Chairman of more than Five Committees.

**III. AUDIT COMMITTEE:****Constitution:**

The Committee consists of 3 Directors.

1. Mr. S. Goutham – Chairman
2. Mr. Sajjan Chand – Director
3. Mr. Rikhab Chand Samdaria – Director

The Committee is chaired by Mr. S. Goutham

**TERMS OF REFERENCE:**

The charter of the committee is an prescribed under clause 49 of the Listing Agreement viz.,

1. Oversight of Company's Financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending the appointment and removal of external auditors, fixation of audit fee and also approval of any other services.
3. Reviewing with the management the annual financial statements before submission to the Board focusing primarily on:
  - i) Any charges in accounting policies and practices.
  - ii) Major accounting entries based on exercise of judgment by Management.
  - iii) Qualification in draft audit report.
  - iv) Significant adjustments arising out of audit.
  - v) The 'Going Concern' assumption.
  - vi) Compliance with Accounting Standards.

## LASER DIAMONDS LIMITED

- vii) Any related party transaction i.e., transaction of the company of material nature with promoters of the management and their subsidiaries or relatives etc., that may have potential conflict with the interest of the company at large.
4. Reviewing with management, external and Internal audit function including the structure of internal control system.
  5. Reviewing the adequacy of internal audit function including the structure of Internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
  6. Discussing with internal auditors any significant findings and follow up thereon.
  7. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud and irregularity or a failure of internal control systems of a material nature and reporting the matter of the Board.
  8. Discussing with the external auditors before the audit commences, nature and scope of audit, as well as post-audit discussion to ascertain any area of concern.
  9. Reviewing the company's financial and risk management policies.
  10. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividend) and creditors.

### Meetings and attendance:

The Audit committee met 4 (four) times during the year i.e, on 22.4.2006, 31.7.2006, 31.10.2006 and 31.1.2007 and all the director have attended the meetings.

### IV.REMUNERATION COMMITTEE:-

#### Constitution:

The Committee consists of 3(Three ) directors.

1. Mr. S. Goutham - Director
2. Mr. Sajjan Chand - Director
3. Mr. Rikhab Chand Samdaria - Director

The committee is headed by Mr. Sajjan Chand.

#### TERMS OF REFERENCE:

The Remuneration committee has been constituted to recommend and review the remuneration packages of the Directors and to formulate a broad policy for management remuneration .

#### Remuneration Policy:

The Remuneration Policy as outlined by the committee aims at recognizing and rewarding performances and achievements, while fixing the remuneration of Directors, their contribution by way of their professional . This policy is in tune with current national and international practices.

#### Meetings and Attendances:

During the year 2006-07, the committee met once i.e on 22.4.2006.

#### Details of Remuneration of Directors:

Name	Salary	Perquisites	Commission	Contribution to Provident	Sitting fees	Stock Option	Total Rs.
1. Mr. Lalit Kumar Samdaria	60,000	—	—	—	—	—	60,000
<b>Total</b>	<b>60,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>60,000</b>

### V. SHARE HOLDERS COMMITTEE:

#### Constitution:

The Committee consists of 3 (Three) Directors.

1. Mr. Lalit Kumar Samdaria - Director
2. Mr. S. Goutham - Director
3. Mr. Sajjan Chand - Director

The Committee is headed by Mr. Lalit Kumar Samdaria