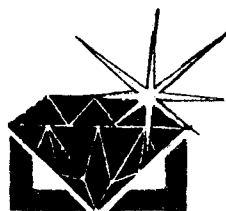


**SEVENTEENTH ANNUAL REPORT
2010-2011**



LASER DIAMONDS LIMITED

LASER DIAMONDS LIMITED

BOARD OF DIRECTORS

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

BANKERS

1. The Royal Bank of Scotland,
No.1, Harrington Road, Chetpet, Chennai-600 031.

AUDITOR

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

REGISTERED OFFICE

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

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LASER DIAMONDS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the Company will be held on Thursday the 29th day of September 2011 at 10:30 AM at "RAGAAS" No:47, 1st 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 31.03.2011 and the balance sheet as at 31.03.2011 together with the director's report and auditor's report thereon.
2. To appoint Director in place of Mr. S. Gowtham 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 : 25.08.2011
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/HERSELF. 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 22.09.2011 to 29.09.2011. (Both days inclusive)
5. The Members are requested to intimate to the Registrar and Transfer Agents, Cameo Corporate Services Limited, Subramanian Building, No.1 Club House road, Mount Road, 5th Floor, Chennai-600 002, change of address if any at the earliest quoting their registered folio number.

Date : 25.08.2011
Place : Chennai

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

LASER DIAMONDS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We have pleasure in presenting the 17th Annual Report and Audited Statements of Accounts of the Company for the year ended 31st March, 2011.

FINANCIAL RESULTS

	(Rs.in '000)	(Rs.in '000)
	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)
Income	13461.74	28871.10
Total Expenditure	18525.68	25115.43
Nett Profit/(Loss)	(5063.94)	3755.66

DIVIDEND:

Your directors have not recommended any dividend during the year.

Operation and Business performance:

Kindly refer to Management Discussion & Analysis covered under corporate governance and forms part of this Annual Report.

Business Operations:

The operations of the company is satisfied. During the year, the sales volume has increased when compared with the previous year. Your directors are hopeful that the market will improve in the coming years also. The company is continuing its Export activities.

There is no manufacturing activities carried out during the financial year 2010-11. 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.

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.128.71 lacs (P.Y. Rs.210.61 lacs) during the year.

DEPOSITS :

The Company has not accepted any deposit from the public.

DIRECTORS :

Mr. S. Gowtham retires by rotation and offer himself for reappointment.

LASER DIAMONDS LIMITED

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, 2011 and of the profit or loss of the Company for the year ended 31st March, 2011;
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

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.

Secretarial Compliance Certificate

A certificate from M/s Chezhan & Associates, Company Secretaries, Chennai has been obtained as per the provision of section 383A(I) of the Companies Act, 1956 and Companies Amendment Act 2000 is enclosed and form part of the report.

Corporate Governance

Your company has always followed the philosophy of conducting the business with due compliance of law, regulations and sound internal control systems and procedures.

The company has complied with all the mandatory requirements of corporate Governance norms as enumerated in 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 : 25.08.2011

Place : Chennai

for Laser Diamonds Ltd.

Sharad Parekh

Sd./-

Director

Rikhabchand Samdaria

Sd./-

Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS (Annexure-A)

1. OVERALL REVIEW

The Bombay Stock Exchange has allowed our request for Revocation of suspension of Trading activities. Now our Company's Share are traded.

2. INDUSTRY OUTLOOK

We do not foresee any major change in the year 2011-12 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 .

LASER DIAMONDS LIMITED

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

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 2010-11	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	1 Chairman
Mr. Rikhabchand Samdaria	Director	Executive	6	Yes	Nil	2 Members
Mr. S. Goutham	Director	Non-Executive	6	Yes	Nil	{ 1 Chairman 2 Members }
Mr. Sharad Parekh	Director	Non-Executive	6	Yes	Nil	{ 1 Chairman 2 Members }

BOARD MEETINGS:

Six Board Meeting were held on the following dates:

30.4.2010, 26.7.2010, 16.8.2010, 18.8.2010, 29.10.2010 and 28.1.2011.

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. Sharad Parekh – Director
3. Mr. Rikhab Chand Samdaria – Director

The Committee is chaired by Mr. S. Goutham

LASER DIAMONDS LIMITED

TERMS OF REFERENCE:

The charter of the committee is as 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.
 - vii) Any related party transaction ie., 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 30.4.2010, 26.7.2010, 29.10.2010 and 28.1.2011 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. Sharad Parekh – Director
3. Mr. Rikhab Chand Samdaria – Director

The committee is headed by Mr. Sharad Parekh.

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. The Directors have waived their remuneration for the betterment of the companies performance during the financial year.

Meetings and Attendances:

During the year 2010-11, the committee met twice i.e on 30.4.2010 and 29.10.2010.

LASER DIAMONDS LIMITED

Details of Remuneration of Directors:

No remuneration has been paid to any Director.

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. Sharad Parekh – Director

The Committee is headed by Mr. Lalit Kumar Samdaria

Name and designation of the Compliance Officer: Mr. Lalit Kumar Samdaria

Pending Share Transfers: There are no pending transfers.

Details of the last three AGMs held are given below:

Date of Meeting	Time of Meeting	Venue of the Meeting	Special Resolutions passed at AGM
28.09.2010 16th AGM	10.30 a.m.	"RAGAAS" No.47,1 st Avenue, Shastri Nagar, Chennai-600 020	Nil
29.09.2009 15th AGM	10.30 a.m.	"RAGAAS" No.47,1 st Avenue, Shastri Nagar, Chennai-600 020	Nil
29.09.2008 14th AGM	10.30 a.m.	"RAGAAS" No.47,1 st Avenue, Shastri Nagar, Chennai-600 020	Nil

No special resolution has been passed by way of postal ballot.

VII. DISCLOSURES:

There are no materially significant transaction made by the company with its promoters, the directors or the Management, their subsidiaries or relatives etc., which require separate disclosure. No penalties / strictures have been imposed on the company by any regulatory authority for non – compliance of any law.

VIII. MEANS OF COMMUNICATIONS:

Quarterly Results:

The Company has published its quarterly Financial Results regularly

Company e.mail ID : laserdiamonds@yahoo.co.in / info@laserdiamondsltd.co.in

Company Website : www.laserdiamondsltd.co.in

Management Discussion and Analysis Report:

The Management Discussion and Analysis Report is included in the Director's Report and Forms part of the annual Report. (Annexure – A to the Directors Report).

IX. GENERAL SHAREHOLDER INFORMATION:

Number of AGM	:	17 th AGM
Date	:	29 th September 2011
Day	:	Thursday
Time	:	10.30AM
Venue	:	"RAGAAS" No.47,1 st Avenue, Shastri Nagar, Chennai-600 020