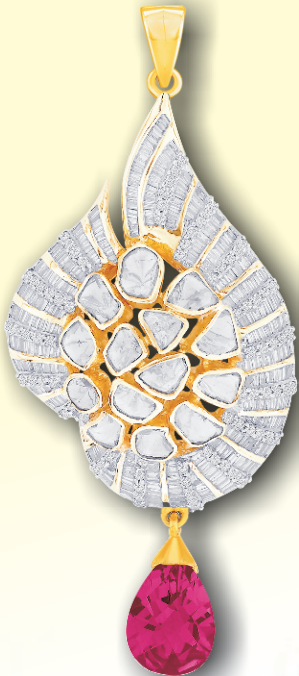




**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

**23<sup>rd</sup>**

**ANNUAL REPORT  
2012-2013**





## **GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

### **REGISTERED OFFICE**

G-30, Gems & Jewellery Complex - III,  
SEEPZ, Andheri (East), Mumbai - 400 096

### **BOARD OF DIRECTORS**

Shri. Kanti Kumar Dadha	(Chairman & Managing Director)
Shri. Karan Singh Baid	(Whole Time Director)
Shri. Arvind Dadha	(Whole Time Director)
Shri. B. K. Ashok	(Professional / Independent Director)
Shri. Gautam Dadha	(Independent Director)
Shri. Mangilal Maloo	(Independent Director)

### **BANKERS**

State Bank of India  
Bank of India  
Axis Bank Limited

### **AUDITORS**

M/s. A. J. Baliya & Associates  
Chartered Accountants  
Mumbai

### **WORKS**

G-30, Gems & Jewellery Complex - III,  
SEEPZ, Andheri (East), Mumbai - 400 096

### **DEMATERIALIZATION OF SECURITIES**

ISIN-INE798D01015

### **WEBSITE**

[www.golkunda.com](http://www.golkunda.com)



## NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the members of Golkunda Diamonds & Jewellery Limited, will be held at "Banquet Hall", Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai - 400 093 on 28th September, 2013 at 4.00 P.M. to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit & Loss Account for the year ended on that date together with report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arvind Dadha who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Gautam Dadha who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration.

### REGISTERED OFFICE:

G-30, Gems & Jewellery Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

Date: 30.05.2013

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)



**NOTES:**

- (a) A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of himself / herself and that proxy need not be a member of the Company.

Proxy form duly completed must reach the Registered Office of the Company not less than 48 hours before the meeting.

- (b) The Register of Members and Share Transfer Books of the Company will be closed from 23rd September, 2013 to 28th September, 2013. (Both days inclusive).
- (c) Members are requested to bring their attendance slip duly filled in for attending the meeting.
- (d) Members are requested to notify changes, if any, in their registered address immediately at the Company's Registered Office.
- (e) The Company has code of conduct for all Board Members and Senior Management Personnel of the Company and is duly following the terms of the code in letter and in spirit.

**REGISTERED OFFICE:**

G-30, Gems & Jewellery Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

Date: 30.05.2013

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

**DIRECTORS' REPORT**

To,

The Member/s,

**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

The Directors' have pleasure in presenting their 23rd Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013

**FINANCIAL RESULTS:**

(Amount in Rs. '000)

<b>PARTICULARS</b>	<b>2012-13</b>	<b>2011-12</b>
Sales & Income from Operation	1134871	1159687
Other Income	37	137
Total Expenditure	1079625	1114998
Interest	30135	23313
Profit Before Depreciation and Taxation	25148	21513
Depreciation	2673	2330
Profit Before Taxation	22475	19183
Provision for Taxation	7646	6579
Prior Years Tax Adjustment	0	404
Deferred Tax	(231)	(46)
Profit After Taxation	15060	12246

**OPERATIONS:**

The profitability of the business has seen improvement. The profit for the year increased from Rs 122 lakhs to Rs 151 lakhs, an increase of 24%. We will continue to focus on increasing margins substantially this year. In this very difficult export market scenario and volatile gold prices, your company has successfully consolidated its sales volumes. Your company's sales for the year stood at Rs 113.48 Crores. Your company continues to adopt innovative marketing initiatives to further increase the topline. With latest software and better operations, we have been able to retain all our existing customers with improved business.

The forecast for the current year looks increasingly positive and we are optimistic that we will expand ourselves and outperform the overall industry growth.

**DIVIDEND:**

Considering the necessity of conserving financial resources for future growth and expansion of the business of the Company and in view of financial position of the Company, the Board of Directors do not recommend payment of dividend on equity shares of the Company for the financial year ended 31.03.2013.

**DIRECTORS:**

In terms of provisions of section 255 and 256 of the Companies Act, 1956 read with provisions of Articles of Association of the Company, Mr. Gautam Chand Dadha and Mr. Arvind Dadha, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Board recommends their re-appointment.

**DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to an amendment to Section 217 of the Companies act, 1956, your Directors give hereunder the Director's Responsibility Statement pertaining to the accounts of the Company:-

1. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation statement relating to material departures.
2. The Directors have 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 on 31st March, 2013 and of the Profit & Loss Account of the Company for the year ended on that date.



3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. These accounts have been prepared on a going concern basis.

**FIXED DEPOSIT:**

The Company has not accepted any Fixed Deposit under Section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

**AUDITORS:**

M/s. A. J. Baliya & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting. The said Statutory Auditors having furnished a certificate of their eligibility under Sec. 224(1B) of the Companies Act, 1956, are eligible for re-appointment. The Board recommends their re-appointment.

The observations of statutory auditors read along with notes to accounts are self explanatory and do not call for further explanation.

**PARTICULARS OF EMPLOYEES:**

Pursuant to Section 217 (2A) of the Company Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, there are no employees drawing salary above monetary limit specified in above Rules and therefore, no particulars need to be furnished in this regard.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The particulars as prescribed under Sub Sec. (1)(e) of Section 217, of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are given hereunder.

A. Conservation of energy	The Company is taking all possible steps to conserve resources in its operations.
B. Technology absorption	N. A.
C. Foreign Exchange earnings and outgo	
For the year ended 31.03.2013	
a) Earnings in foreign Currency	Rs. 108,12,70,256/-
b) Expenditure in Foreign Currency	Rs. 2,47,22,487/-

**CORPORATE GOVERNANCE:**

A separate section covering the Management Discussion and Analysis and Corporate Governance as per the requirements of Clause 49 of the Listing Agreement is attached herewith and forms a part of this report.

**AUDIT COMMITTEE:**

The Audit Committee of the Company comprises of 2 Independent Non-Executive Directors and 1 Professional Independent Non-Executive Director.

The Chairman of the Audit Committee is Mr. Mangilal Maloo.

The terms of reference of the Audit Committee are in accordance with the provisions of section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement pertaining to Corporate Governance norms.

Mr. Karan Singh Baid, Whole Time Director is the Permanent Invitee to the meeting of Audit Committee.

**LISTING ARRANGEMENT:**

The Company's Equity Shares are listed on Bombay Stock Exchange, Hyderabad Stock Exchange and Jaipur Stock Exchange. The Company has paid its Annual Listing Fees to the above stock Exchanges for the financial year 2013-14.



**CEO / CFO CERTIFICATION:**

In accordance with the provisions of the Listing Agreement pertaining to Corporate Governance norms, Mr. Kanti Kumar Dadha, Managing Director, has certified, inter-alia, on review of financial statements and establishing and maintaining internal controls for the financial year ended 31.03.2013.

**ACKNOWLEDGEMENT:**

The Directors wish to place on record their admiration for the services rendered by the executives and employees of the Company at all levels. The Board also takes this opportunity to express its appreciation for the continued support received from the Shareholders, the Banking institutions including the State Bank of India, the SEEPZ Authorities and all other stakeholders, during the year.

**REGISTERED OFFICE:**

G-30, Gems & Jewellery Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

Date: 30.05.2013

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

ANNUAL REPORT 2012-2013

**CORPORATE GOVERNANCE REPORT**

[Pursuant to Clause 49 of the Listing Agreement]

The Corporate Governance Report pursuant to the Clause 49 of the Listing Agreement with Stock Exchanges as applicable for the financial year ended 31st March, 2013 are set out below for the information of shareholders and investors of the Company

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

The Company's philosophy on Corporate Governance heavily leans on the fact of its willingness to incorporate fairness and transparency as a second nature of operations in the Company. The Company aims at achieving an optimum balance between rewards to management and returns to shareholders, clearly understanding that while the management risks its efforts; shareholders risk their hard earned funds.

The Company believes that the essence of good Corporate Governance lies in promoting and maintaining integrity, transparency and accountability across the organization.

**BOARD OF DIRECTORS****a) Composition:**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors.

- 1) The Board of Directors of your Company comprises of an Executive Chairman and Managing Director, 2 Whole Time Executive Directors and 3 Non-Executive Independent Directors.
- 2) All Directors other than Mr. Kanti Kumar Dadha, Mr. Karan Singh Baid and Mr. Arvind Kumar Dadha are Independent Non-Executive Directors.

**b) Number of Board Meetings Held, Dates on Which Held**

During the financial year 2012-13, Six (6) Board Meetings were held on 29.05.2012, 13.08.2012, 28.09.2012, 10.11.2012, 05.12.2012 and 14.02.2013.

**c) Attendance of Each Director at the Board Meeting and Last Annual General Meeting, Number of other Boards or Board Committees in which he/she is a Member or Chairperson.**

Name of Director	Category	No. of other Director - ships held (Other than Golkunda)	No. of other Committee Chairman-ships/ member-ships held (Other than Golkunda)	No. of Board Meetings Attended	Attendance at Last Annual General Meeting held on 28.09.2012
Mr. Kanti Kumar Dadha	Chairman & Managing Director Promoter	1	Nil	6	Yes
Mr. Karan Singh Baid	Whole Time Executive Director Promoter	1	Nil	6	Yes
Mr. Arvind Kumar Dadha	Whole Time Executive Director	Nil	Nil	6	Yes
Mr. Ashok Kumar K. Bekal	Independent Professional Non-Executive Director	Nil	Nil	3	Yes
Mr. Gautam Chand Dadha	Independent Non-Executive Director	Nil	Nil	3	No
Mr. Mangilal Maloo	Independent Non-Executive Director	Nil	Nil	3	No



**BOARD COMMITTEES****AUDIT COMMITTEE****COMPOSITION:**

The Audit Committee of the Company was formed on 15th October, 2003 and comprises of 2 Independent Non-Executive Directors and 1 Professional Independent Non-Executive Director as follows:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>	<b>Category</b>
1	Mr. Mangilal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Gautam Chand Dadha	Member	Independent Non-Executive Director
3	Mr. B. K. Ashok	Member	Professional Independent Non-Executive Director

**MEETINGS OF AUDIT COMMITTEE AND ATTENDANCE DURING THE YEAR**

The Committee met 4 (Four) times during the year on the following dates viz. 29.05.2012, 13.08.2012, 10.11.2012, 14.02.2013.

<b>Name of Director</b>	<b>No. of Meeting Attended</b>
Mr. Mangilal Maloo	4
Mr. Gautam Chand Dadha	4
Mr. Ashok Kumar K. Bekal	4
Mr. Karan Singh Baid ( Invitee)	4

**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The Company has an Audit Committee with scope of activities as set out in Clause 49 (II) of the Listing Agreement with the Stock Exchanges read with section 292A of the Companies Act, 1956. The Committee acts as a link between the Statutory / Internal Auditors and the Board of Directors of the Company. The broad terms of reference of the Audit Committee are as under:

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- To hold periodic discussion with the Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observations of the Auditors / Internal Auditors;
- To review compliance with internal control systems;
- Reviewing related party transactions;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company, including the Audit Report;
- Discussing and reviewing the company's financial and risk management policies;
- Recommending the appointment of statutory auditors / internal auditors and fixation of their remuneration.

**REMUNERATION COMMITTEE****COMPOSITION**

The Remuneration Committee was constituted on 15th October, 2003 and comprises of 2 Independent Non-Executive Directors and 1 Professional Independent Non-Executive Director as follows:

Sr. No.	Name of the Member	Designation	Category
1	Mr. Mangilal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Gautam Chand Dadha	Member	Independent Non-Executive Director
3	Mr. B. K. Ashok	Member	Professional Independent Non-Executive Director

**MEETINGS OF REMUNERATION COMMITTEE AND ATTENDANCE DURING THE YEAR**

The Committee met once during the year on 29.05.2012. All the members of the Committee had attended the meeting of Remuneration Committee.

**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The Remuneration Committee while approving remuneration of Managing Director / Whole Time Directors takes into account the financial position of the Company, qualification, experience, performance and past remuneration of the concerned managerial person. The Broad terms of reference of the Remuneration Committee are as follows:

1. Fixation of Suitable Remuneration Package of all the Executive Directors and Non Executive Directors i.e. Salary, Perquisites, Bonuses, Pensions, etc.
2. Determination of the fixed component and performance linked incentives along with the Performance Criteria to Directors of the Company.
3. Service Contracts, Notice Period, and Severance fees of Directors.

**REMUNERATION POLICY AND DETAILS OF REMUNERATION TO ALL DIRECTORS, AS PER FORMAT IN MAIN REPORT**

Details of remuneration paid to the Executive Directors during the year ended 31.03.2013 are as follows:

Name	Relation with Gokulda	Inter-se Relation	Salary	Stock Option	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Kanti Kumar Dadha	Chairman and Managing Director	-	932880	0	0	9360	169235	11,11,475
Mr. Karan Singh Baid	Whole Time Director	-	852150	0	0	9360	36900	8,98,410
Mr. Arvind Kumar Dadha	Whole Time Director	Son of Mr. Kanti Kumar Dadha.	852150	0	0	9360	37459	8,98,969

**Notes:**

- Mr. Kanti Kumar Dadha was re-appointed as Chairman and Managing Director at Annual General Meeting held on 29.09.2009 with effect from 1st October, 2009 upto 30th September, 2014.
- Mr. Arvind Kanti Kumar Dadha was re-appointed as Whole Time Director at Annual General Meeting held on 29.09.2009 with effect from 1st October, 2009 upto 30th September, 2014.
- Mr. Karan Singh Baid was re-appointed as Whole Time Director at Annual General Meeting held on 29.09.2011 with effect from 10th November, 2011 upto 9th November, 2014.

**DETAILS OF REMUNERATION / COMPENSATION PAID TO THE NON- EXECUTIVE / INDEPENDENT DIRECTOR DURING THE YEAR ENDED 31.03.2013:**

Name of Director	No. of Board Meetings Attended	Sitting Fees Paid (in Rs.)
Mr. Mangilal Maloo	3	0
Mr. Gautam Chand Dadha	3	0
Mr. Ashok Kumar K. Bekal **	3	0

The Non-Executive Directors are paid sitting fees of Rs. 5,000/- per meeting for attending Board Meeting.

\*\* Mr. Ashok Kumar K. Bekal has waived his sitting fees for attending the meeting of Board of Directors.

**DISCLOSURE OF SHAREHOLDING BY NON – EXECUTIVE DIRECTORS**

Sr. No	Name of Director	No. of Shares Held
1	Mr. Ashok Kumar K. Bekal	NIL
2	Mr. Gautam Chand Dadha	NIL
3	Mr. Mangilal Maloo	NIL

**DETAILS OF DIRECTORS SEEKING RE – ELECTION**

Mr. Arvind Kumar Dadha and Mr. Gautam Dadha retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re – election.

The Additional information and experience relating to these Directors as required under Clause 49 VI (A) of the Listing Agreement with the Stock Exchange is furnished below:

Name of the Director	Mr. Arvind Kumar Dadha	Mr. Gautam Dadha
Date of Birth	31.12.1976	23.04.1944
Date of Appointment	01.10.1999	15.10.2003
Qualification	B.com	B.com
Expertise in specific Functional areas	Jewellery Manufacturing & Marketing	Gems and Jewellery Marketing
Name(s) of other Public companies in which Directorship held	NIL	NIL
Name(s) of Companies in which Committee Membership(s)/ Chairmanship(s) held (as per Clause 49 of the Listing Agreement with the Stocks Exchanges)	NIL	NIL

**SHAREHOLDER GRIEVANCE & SHARE TRANSFER COMMITTEE****COMPOSITION AND MEETINGS**

Composition of Shareholder Grievance & Share Transfer Committee is as follows.

Sr. No.	Name of the Member	Designation	Category
1	Mr. Mangi Lal Maloo	Chairman	Independent Non-Executive Director
2	Mr. Gautam Chand Dadha	Member	Independent Non-Executive Director
3	Mr. Ashok Kumar K. Bekal	Member	Professional Independent Non-Executive Director

24 meetings of the Shareholder's Grievance & Share Transfer Committee were held during the year 2012-2013.

**BRIEF DESCRIPTION OF TERMS OF REFERENCE**

The Company has constituted Share Transfer Committee, which was re-constituted as Shareholders Grievance & Share Transfer Committee, which specifically looks into the approval of share transfer requests received by the Company, approval of demat request received by the Company, redressing of shareholders and investors complaints, non-receipt of Balance Sheet, etc.

**NAME AND DESIGNATION OF COMPLIANCE OFFICER**

Mr. Karan Singh Baid, Director of the Company acts as Compliance Officer of the Company.

**DETAIL OF SHAREHOLDERS COMPLAINTS RECEIVED, SOLVED, NOT SOLVED AND PENDING SHARE TRANSFERS DURING THE YEAR**

Number of Shareholders' Complaints received	20
Number resolved to the satisfaction of shareholders	20
Number of pending complaints	NIL

**GENERAL BODY MEETINGS****LOCATION AND TIME WHERE LAST THREE ANNUAL GENERAL MEETINGS (AGM) WERE HELD**

Year	Date	Time	Venue
2012	28 <sup>th</sup> September 2012	4.00 P.M.	Banquet Hall, Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2011	29 <sup>th</sup> September, 2011	4.00 P.M.	Banquet Hall, Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2010	24 <sup>th</sup> September, 2010	4.00 P.M.	Banquet Hall, Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.

**DETAILS OF SPECIAL RESOLUTIONS PASSED DURING THE LAST 3 A.G.M.s OR ANY SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT**

- The Company has passed Special Resolution at the Annual General Meeting held on 28.09.2012 in respect of:
  - Increase in Remuneration to Mr. Kanti Kumar Dadha as Managing Director;
  - Increase in Remuneration to Mr. Karan Singh Baid as Whole Time Director;
  - Increase in Remuneration to Mr. Arvind Dadha as Whole Time Director;
  - Increase in Remuneration to Mr. Ashish Dadha, relative of Director.



- The Company has passed Special Resolution at the Annual General Meeting held on 29.09.2011 in respect of:
  - Reappointment of and payment of Remuneration to Mr. Karan Singh Baid as Whole Time Director;
  - Increase in Remuneration of Mr. Ashish Dadha, relative of Director.
  - Alteration of Articles of Association.
- No special resolutions were passed at the Annual General Meeting held on 24.09.2010.
- The Company has not passed any resolution through postal Ballot in the previous financial year.
- During the year, the Company do not proposes to pass any special resolution through Postal Ballot.

#### CODE OF CONDUCT

- The Board of Directors has approved Code of Conduct applicable to Directors, Officers and Designated Employees. The Code of Conduct has been made effective from April 01, 2005. The Company has obtained declarations from the Directors, Senior Management Personnel affirming their compliances with the applicable Code of Conduct.
- The Certificate of compliance of code of conduct, by Directors, Senior Management Personnel, certified by the Managing Director is annexed to the Corporate Governance Report.

#### DISCLOSURES

- a) There were no materially significant related party transactions during the year having conflict with the interests of the Company.
- b) Disclosures of Related party transactions as required by Accounting Standard – 18 have been disclosed elsewhere in the Annual Report.
- c) There has been no non-compliance by the Company or penalty or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last 3 years.
- d) Financial statements of the Company are prepared in compliance with the Accounting Standards notified under sub-section 3(c) of section 211 of the Companies Act, 1956.
- e) It is hereby affirmed that no personnel has been denied the access to the Audit Committee of the Board.

#### MEANS OF COMMUNICATION

Quarterly Results	Quarter Ended	Board Meeting in which Approved
1 <sup>st</sup> Quarter	30.06.2012	13.08.2012
2 <sup>nd</sup> Quarter	30.09.2012	10.11.2012
3 <sup>rd</sup> Quarter	31.12.2012	14.02.2013
The Company has, in compliance with Clause 41 of the Listing Agreement, approved the audited Annual Results for the last quarter of the financial year 2012-13 at the Board meeting held on 30.05.2013.		
Which newspaper normally published in	Free Press Journal and Navshakti	
Any Website, where displayed	www.gokunda.com	
Whether it also display official news releases	No	



**GENERAL SHAREHOLDER INFORMATION**

1.	Date, time and the venue of 23 <sup>rd</sup> AGM	28th September, 2013 at 4.00 P.M. "Banquet Hall", Matoshri Arts & Sports Club, J. V. Link Road, Jogeshwari (E), Mumbai - 400093				
2.	Financial Calendar	April 01, 2012 to March 31, 2013				
3.	Date of Book Closure	23rd September, 2013 to 28th September, 2013 (both days inclusive)				
4.	Dividend Payment Date	N.A.				
5.	Listing on Stock Exchanges	The Mumbai Stock Exchange The Jaipur Stock Exchange				
6.	BSE Stock code	523676				
7.	Stock market price data for the last financial year ended March 31, 2013 on The Stock Exchange, Mumbai is as under:					
	<b>Date</b>	<b>Open (Rs.)</b>	<b>High (Rs.)</b>	<b>Low (Rs.)</b>	<b>Close (Rs.)</b>	<b>No. of Shares</b>
	April 2012	11.80	15.00	11.80	15.00	1898
	May 2012	14.50	16.70	14.50	15.50	3295
	June 2012	16.20	16.45	13.80	14.00	2050
	July 2012	13.31	15.20	13.31	14.00	1369
	August 2012	13.89	13.90	12.55	13.00	815
	September 2012	13.60	13.90	11.42	11.42	2155
	October 2012	11.00	13.12	10.95	12.50	7849
	November 2012	11.89	14.25	11.31	12.65	7999
	December 2012	12.50	13.99	12.00	12.13	7873
	January 2013	12.00	12.70	12.00	12.00	5102
	February 2013	12.10	12.70	12.00	12.00	2022
	March 2013	12.00	12.55	12.00	12.55	697
8.	Registrar & Share Transfer Agent	Sharex Dynamic (India) Private Limited (formerly known as M/s. Sharex (India) Pvt. Ltd.) 17/B, Dena Bank Building, 2 <sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001.				
9.	Share Transfer System	The Company's shares are traded in the Stock Exchange compulsorily in demat mode. Shares sent for physical transfer or dematerialization requests are registered promptly within stipulated time from the date of receipt of completed and validly executed documents.				
10.	Distribution of shareholding as on March 31, 2013					
	<b>No. of Shares Nominal Value</b>	<b>No. of Shareholders</b>	<b>% of Shareholders</b>	<b>Total Amount</b>	<b>% of Amount</b>	
	1 to 5000	9438	96.04	12508250	17.96	
	5001 to 10000	260	2.65	2238890	3.21	
	10001 to 20000	62	0.63	1005990	1.44	
	20001 to 30000	26	0.26	630750	0.91	
	30001 to 40000	13	0.13	469110	0.67	
	40001 to 50000	8	0.08	377150	0.54	
	50001 to 100000	8	0.08	551810	0.79	
	100001 and above	12	0.12	51858850	74.47	
	<b>TOTAL</b>	<b>9938</b>	<b>100.00</b>	<b>69640800</b>	<b>100.00</b>	



11.	Dematerialization of Shares and liquidity	As on 31.03.2013, 84.55 % of the Company's Equity Shares representing 58,88,185 Equity Shares were held in dematerialized form with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL).	
12.	Outstanding GDR's / ADR's / Warrants or any Convertible Instruments	The Company does not have outstanding GDRS / ADRS / Warrants or any Convertible instruments.	
13.	Plant Location (Development Centre)	G-30, Gems & Jewellery Complex III, SEEPZ, Andheri (E), Mumbai 400 096 307/308, Kapadia Industrial Estate, Andheri Kurla Road, Chakala, Andheri (E), Mumbai - 400 093	
14.	Address for Correspondence (for dematerialization/ transfer of shares, payment of dividend on shares, and any other query relating to the shares of the Company For any other queries	Sharex Dynamic (India) Pvt. Ltd. (Formerly known as M/s. Sharex (India) Pvt. Ltd.) 17/B, Dena Bank Building, 2 <sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai – 400 001.  G-30, Gems & Jewellery Complex III, SEEPZ, Andheri (E), Mumbai - 400 096	
15.	Secretarial Audit A qualified practicing Company Secretary carry out a secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued / paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.		
16.	Compliance Officer	Mr. Karan Singh Baid G-30, Gems & Jewellery Complex III, SEEPZ, Andheri (E), Mumbai-400 096 Tel No. 022 28290155/56 Fax 022-28290373	
17.	Shareholding pattern as on March 31, 2013		
	<b>Category</b>	<b>No. of Shares</b>	<b>% of total</b>
	Promoter's holding	5031732	72.25
	Mutual Funds and UTI	0	0
	Financial Institution / Banks	100	0
	Foreign Institutional Investors	0	0
	NRIs / OCBs	549	0.08
	Companies / Bodies Corporate	109490	1.57
	Clearing Members	0	0
	General Public	1822209	26.16
	<b>Total</b>	<b>6964080</b>	<b>100.00</b>

FOR AND ON BEHALF OF BOARD  
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

CHAIRMAN AND MANAGING DIRECTOR  
(KANTI KUMAR DADHA)

PLACE: MUMBAI  
DATE: 30.05.2013





## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Developments:

The Company is a part of an Industry, which largely operates through unorganized constituents. However, unlike the industry, the Company has attempted to operate through as systematic and organized manner as possible. However, since Diamonds and Jewellery is one industry, in which India holds, commendable position in the world, akin to the software industry, one can look forward to more international involvement coming up in this industry.

### Opportunities and Threats:

Following can be termed as the opportunities / strengths of the Company:

- Induction of widely experienced and specialized personnel on the Board.
- Good combination of technical as well as advisory personnel in the management.
- More and more benefits and exemptions are likely to come in the way of exports and Special Economic Zones and the Company, having commendable exports and being situated in SEEPZ - SEZ, is likely to receive the advantage of the same.
- Some of the world retail majors have decided some time back to source part of their requirements from India. This shall further the growth of the Diamond industry in India.
- The unfavorable government policies, cut throat competition amongst manufacturers and exporters remains major concerns for the Gems and Jewellery Business.

### Outlook:

The Company has done well in the current year and expects to achieve a really good percentage of market share in the Diamond manufacturing and Jewellery marketing fields. The outlook for the Company can therefore be termed as optimistic and expects higher growth than inflation and average growth in the industry.

Growth of the Gems and Jewellery Industry is expected to be moderate to better in the years to come depending on the policies of the Government. However Gems and Jewellery Industry is seeing robust growth in the years to come. The Growth rate of the Gems and Jewellery Industry is closely related to the growth of the other Sector and hence movements and developments in the other sectors would also indirectly affect the future of Gems and Jewellery Industry.

### Risks and Concerns:

Following can be some of the risks and concerns the Company needs to be wary of:

- The largely unorganized structure of the market can affect the systematic functioning of the Company
- Political instability, which has a tremendous impact on the capital markets.
- Likely opening up of the economy, which can be a double-edged sword.
- The Diamond market in India is heavily influenced by the US Markets.
- The major income component of the Company being exports, changes in economies or government policies of the countries to which the Company is exporting may also affect the operations of the Company.
- Increasing competition among the Indian Exporters in this industry.

### Internal Control Systems and their Adequacy:

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of stores, raw materials, components, plant and machinery, equipment and other assets, and for the sale of goods.

The Company also has in place an Audit Committee to have a periodic over view of the internal control procedures of the Company. The Audit committee is accessible at all times to the employees of the Company for any improvement to be recommended in the procedures in place.

### Discussion on Financial Performance of the Company:

The financial performance of the Company has steadily grown in the year under review.





The sales were Rs. 111,62,84,749/- as compared to Rs. 114,61,66,447/- in the previous year. The Profit after tax in the current year increased to Rs. 1,50,60,199/- as against Rs. 1,22,46,007/- in the previous year.

**Export performance and Foreign Exchange earnings:**

The Company is making contribution to the foreign exchange earnings of the Country in view of the fact that the Export and Foreign exchange earnings stood at Rs. 1,08,12,70,256/- during the financial year under review.

**Industrial Relations and Human Resources:**

The Company considers that its relationship with its employees is vital and ensures that employees feel valued and is endeavoring to create an environment and culture within which every employee can put his best efforts and maximize his contribution.

The Company ensures that all its employees remain competent through education, skills, training and experience as necessary. The Company has had cordial relations between the management and employees and an atmosphere of harmonious working to achieve the business objectives of the Company throughout the year. The Company is poised to motivate each of its employees to perform to the fullest extent possible and to appropriately reward their excellence.

**Cautionary Note:**

Statements in this report and Corporate Governance Report read together with the Directors' Report and financial statement describing the Company's objectives, projections, estimates, expectations and predictions, may be "forward looking statements". Actual results may differ from those expressed or implied due to variations in prices of raw materials, seasonal demand and pricing in the Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and other incidental factors.

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FOR AND ON BEHALF OF BOARD  
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

CHAIRMAN AND MANAGING DIRECTOR  
(KANTI KUMAR DADHA)

PLACE: MUMBAI  
DATE: 30.05.2013



**CERTIFICATE OF COMPLIANCE TO BE GIVEN BY THE CEO/CFO OF THE COMPANY.**

I, Mr. Kanti Kumar Dadha, Chairman & Managing Director of Golkunda Diamonds & Jewellery Limited, hereby certify on behalf of the Board of Directors that:

- 1) The Board have reviewed the financial statements and the cash flow statements for the year ended 31st March, 2013 and that to the best of their knowledge and belief:
  - A) these statements do not contain any untrue statement or omit any material fact or contain statements that might be misleading;
  - B) statements present true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- 2) To the best of our knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- 3) The Board accepts responsibility for establishing and maintaining internal controls and that they have evaluated the effectiveness of the internal control systems of the Company and they have disclosed to the auditors and the Audit Committee, Deficiencies in the design or operation of internal controls, if any, of which they have taken or propose to take to rectify these deficiencies.
- 4) The Board have indicated to the auditors and the Audit Committee:
  - A) There are no significant changes in internal control during the year;
  - B) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to Financial Statements; and

There have been no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control systems.

**REGISTERED OFFICE:**  
G-30, Gems & Jewellery Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

Date: 30.05.2013



To,  
The members of  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

**DECLARATION BY THE CHIEF EXECUTIVE OFFICER UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

I, Kanti Kumar Dadha, Chairman & Managing Director of GOLKUNDA DIAMONDS & JEWELLERY LIMITED, to the best of my knowledge and belief, declare that all the members of Board of Directors, Senior Management Personnel, Designated Employees have affirmed Compliance with the Code of Conduct for the year ended 31st March 2013.

**REGISTERED OFFICE:**  
G-30, Gems & Jewellery Complex III,  
SEEPZ, Andheri (East),  
Mumbai-400 096

By and on behalf of  
THE BOARD OF DIRECTORS  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

**KANTI KUMAR DADHA**  
(Chairman & Managing Director)

Date: 30.05.2013

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

**TO THE MEMEBRS OF GOLKUNDA DIAMONDS & JEWELLERY LTD**

1. We have examined the compliance of conditions of Corporate Governance by Golkunda Diamonds & Jewellery Ltd for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanation given to us and the representation made by the directors and management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
4. Our reliance upon the certificate received by the Company from its Registrar for the number of complaints received from the shareholders and the number of complaints resolved during the financial year and the number of complaints pending at the year end as stated in Company's report on the Corporate Governance.
5. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For A.J. Baliya & Associates.**  
Chartered Accountants

(M.P. MODY)  
Partner  
Membership No. FCA 42975

Place : Mumbai  
Dated : 30th May, 2013.



## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

### TO THE MEMBERS OF GOLKUNDA DIAMONDS & JEWELLERY LTD.

We have audited the accompanying financial statements of Golkunda Diamonds & Jewellery Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - 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 account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For A.J. BALIYA & ASSOCIATES**  
Chartered Accountants  
(Firm Registration No. 100948W)

**C.A. MUKESH P. MODY**  
(Partner)  
(Membership No. 42975)

Mumbai, 30th May, 2013.



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date]

### 1. In respect of its fixed assets:

- (a) The Company has maintained proper records to showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) As explained to us, the Company has not disposed off any part of fixed assets during the year.

### 2. In respect of its inventories:

- (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained Under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) In our opinion and according to the information and explanations given to us, during the year there is no transactions made in pursuance of contracts or arrangements that need to be entered into the register maintained under Section 301 of the Companies Act 1956, have been so entered.
- (b) In our opinion and according to the information and explanations given to us, during the year there is no transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act 1956, and hence we are not required to comment on value exceeding Five Lakhs rupees in respect of each party during the year have been made at prices which are reasonable as per the information available with the Company.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposits from the public during the year. Therefore the provisions of clause (vi) of paragraph 4 of the order are not applicable to the Company.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1)(d) of the Companies Act, 1956 and are of the opinion that prime facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
- (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Customs Duty, Excise Duty, Service Tax, Cess and other Statutory Dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2013 for a period of more than six months from the date of becoming payable.
  - (b) According to the information and explanations given to us, there are no dues in respect of Income-Tax, Sales-Tax, Custom Duty, Wealth-Tax, Excise Duty, Service Tax or Cess which have not been deposited on account of any dispute. The details of dues of Income Tax which have not been deposited as at 31st March, 2013 by the Company on account of dispute are given below:



<b>Particulars</b>	<b>Assessment years to which the matters pertains</b>	<b>Forum where dispute is pending</b>	<b>Amount Rs.</b>
Income Tax Act, 1961	2007-08 2009-10	Income Tax officer Income Tax officer	8,83,181/- 72,110/-

10. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by the audit and in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore the provisions of clause (xiii) of paragraph 4 of the order are not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause (xiv) of paragraph 4 of the order are not applicable to the Company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the company has neither raised new term loans during the year nor was any term loans outstanding at the beginning of the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that no funds raised on short-term basis that have been used for long term investment.
18. According to the information and explanations given to us, the year Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act.,1956.
19. According to the information and explanations given to us, the Company has not issued any debentures during the year.
20. According to the information and explanations given to us, during the year covered by our audit report, the Company has not raised any money by public issue.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have been informed of such case by the Management.

**For A.J. BALIYA & ASSOCIATES**  
Chartered Accountants  
(Firm Registration No. 100948W)

**C.A. MUKESH P. MODY**  
(Partner)  
(Membership No. 42975)

**Mumbai, 30th May, 2013.**



**BALANCE SHEET AS AT MARCH 31, 2013**

	Note No.	End of	
		Current Reporting Year	Previous Reporting Year
		March 31,	
		2013	2012
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholders' Funds :</b>			
Share Capital	2	69,640,800	69,640,800
Reserves and Surplus	3	87,080,151	72,019,952
		156,720,951	141,660,752
Non - Current Liabilities :			
Long Term Borrowings	4	639,795	509,210
Deferred Tax Liabilities [ Net ]	24	752,463	983,408
Long Term Provisions		3,405,283	3,013,935
		4,797,541	4,506,553
Current Liabilities :			
Short Term Borrowings	5	350,560,005	312,527,254
Trade Payables	6	105,651,593	80,521,814
Other Current Liabilities	7	3,423,487	2,415,436
Short Term Provisions	8	5,823,380	5,510,149
		465,458,465	400,974,653
	<b>Total</b>	<b>626,976,957</b>	<b>547,141,958</b>
<b>ASSETS :</b>			
Non - Current Assets :			
Fixed Assets :			
Tangible Assets	9	27,342,136	28,803,906
Intangible Assets		21,819	68,031
		27,363,955	28,871,937
Long Term Loans and Advances	10	936,122	740,749
Other Non Current Assets	11	-	52,798
		936,122	793,547
Current Assets :			
Inventories	12	55,418,212	111,600,840
Trade Receivables	13	505,972,179	375,581,579
Cash and Cash Equivalents	14	25,580,278	18,892,958
Short Term Loans and Advances	15	11,706,211	11,401,097
		598,676,880	517,476,474
	<b>Total</b>	<b>626,976,957</b>	<b>547,141,958</b>

Significant Accounting Policies and Notes to the Financial Statements 1 to 33

As per our report of even date  
**FOR A.J. BALIYA & ASSOCIATES**  
Chartered Accountants

For and on behalf of Board of Directors

**KANTIKUMAR DADHA**

Chairman & Managing Director

(CA M.P. MODY)  
Partner

**KARANSINGH BAID**

Executive Director

MEMBERSHIP NO.: FCA 42975  
MUMBAI , May 30, 2013

**ARVIND DADHA**

Executive Director



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013**

	Note No.	End of	
		Current Reporting Year	Previous Reporting Year
		March 31,	
		2013	2012
<b>REVENUE :</b>			
Revenue from Operations	16	1,134,871,267	1,159,687,340
Other Income	17	37,350	137,000
<b>TOTAL REVENUE</b>		<b>1,134,908,617</b>	<b>1,159,824,340</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	18	754,226,161	484,486,150
Purchases of Stock-in-Trade	19	203,060,499	563,610,652
Changes in Inventories of Finished goods	20	58,630,793	3,844,603
Employee Benefits Expense	21	33,724,810	31,929,152
Finance Cost	22	34,016,971	28,551,213
Depreciation	9	2,673,404	2,330,517
Other Expenses	23	26,100,725	25,889,058
<b>TOTAL EXPENSES</b>		<b>1,112,433,363</b>	<b>1,140,641,345</b>
<b>Profit before Tax</b>		<b>22,475,254</b>	<b>19,182,995</b>
Less / [ Add ] : Tax Expense			
Current Tax		7,646,000	6,579,000
Deferred Tax	24	(230,945)	(46,962)
Prior year's tax adjustments		-	404,950
Profit after Tax		<b>15,060,199</b>	<b>12,246,007</b>
<b>Profit for the year from continuing operations</b>		<b>15,060,199</b>	<b>12,246,007</b>
Earning per Equity Share [EPS] [ in Rupees ]	25		
Basic		2.16	1.76
Diluted		2.16	1.76

Significant Accounting Policies and Notes to the Financial Statements 1 to 33

As per our report of even date  
**FOR A.J. BALIYA & ASSOCIATES**  
Chartered Accountants

For and on behalf of Board of Directors  
**KANTIKUMAR DADHA**  
Chairman & Managing Director

(CA M.P. MODY)  
Partner  
MEMBERSHIP NO.: FCA 42975  
MUMBAI , May 30, 2013

**KARANSINGH BAID**  
Executive Director  
**ARVIND DADHA**  
Executive Director





## Notes to the Financial Statements

### Note: 1 - Significant Accounting Policies:

#### 1 Basis of Accounting :

All financial items of Income and Expenditure having a material bearing on the financial statement are recognised on accrual basis, except income by way of dividend and Expense by way of leave encashment which is accounted on cash basis.

#### 2 Sales :

Sales exclude Sales Tax, Transportation, Insurance, discount, penalty/late delivery charges and include and but net of Sales Returns and Discount.

#### 3 Use of Estimates :

The preparation of Financial Statements in conformity with the Accounting Standards generally accepted in India requires, the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### 4 Fixed Assets and Depreciation :

- i) All fixed assets are valued at cost less depreciation. The cost is inclusive of incidental expenses related to acquisition and put to use. Pre-operative expenses including trial run expenses (net of revenue) are capitalised. Interest on borrowings and financing costs during the period of construction is added to cost of fixed assets.
- ii) Impairment loss, if any is recognised in the year in which impairment takes place.
- iii) Depreciation on Fixed Assets is provided on Straight Line Method at the rate and in the manner specified in Schedule XIV of the Companies Act, 1956.
- iv) Depreciation on additions / disposals of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are put to use.

#### 5 Expenditure during the Construction Period :

The expenditure incidental to the expansion / new projects are allocated to Fixed Assets in the year of commencement of the commercial production.

#### 6 Inventories :

Raw Materials, Stores & Spare Parts & Finished Goods and are valued at lower of cost and net realisable value

#### 7 Revenue Recognition :

- i) Revenue from Sale of goods is recognised when significant risks and rewards of ownership of the goods have been passed to the buyer.
- ii) Service income is recognised as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax wherever applicable.
- iii) Dividend income is recognised when the unconditional right to receive the income is established.
- iii) Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

#### 8 Foreign Currency Transactions :

Monetary assets & liabilities related to foreign currency transaction are settled during the year

#### 9 Retirement Benefits :

- i) Gratuity  
Gratuity has been provided in accordance with the provisions of Payment of Gratuity Act, 1972.
- ii) Leave Liability :  
The employees of the company are entitled to leave as per the leave policy of the company. The liability on account of accumulated leave as on last day of the accounting year is not recognised.

#### 10 Employee Separation Costs :

The compensation paid to the employees under Voluntary Retirement Scheme is expensed in the year of payment.

#### 11 Provision for Bad and Doubtful Debts / Advances :

Provision, if any, is made in accounts for bad and doubtful debts / advances which in the opinion of the management are considered doubtful of recovery.



**12 Deferred Tax:**

Deferred tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future.

**13 Provisions, Contingent Liabilities and Contingent Assets :**

Provision is recognised when the company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision / disclosure is made. Contingent assets are not recognised in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2013	2012
<b>Note : 2 - Share Capital :</b>		
<b>Authorised :</b>		
70,00,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000
<b>Issued, Subscribed and Fully Paid-up Equity Shares :</b>		
69,64,080 Equity Shares of Rs.10/- each fully paid up	69,640,800	69,640,800
<b>Total</b>	<b>69,640,800</b>	<b>69,640,800</b>
i) The reconciliation of the number of Shares outstanding as at March 31, 2013 and as at March 31, 2012 is as under:		
	Nos	Nos
Number of shares at the beginning	6,964,080	6,964,080
Number of shares at the end	6,964,080	6,964,080
ii) The equity shareholders of the Company are entitled to receive final dividend as declared and approved by the Board of Directors and/ or the shareholders of the Company. The dividend so declared will be in proportion to the number of equity shares held by the shareholders.		
iii) In the event of the liquidation of the Company, equity shareholders will be entitled to receive remaining assets of the company after distribution of all preference shareholders. However, no such Preference share capital exist during the year. The distribution will be in proportion to the number of equity shares held by the shareholders.		
iv) Details of Shareholders holding more than 5% of the aggregate Equity Shares in the Company.		
Neverloose Properties & Investment Pvt. Limited, the Holding Company.		
No of Shares	3,916,268	3,900,291
% of Holding	56.235	56.010

<b>Note : 3 - Reserve and Surplus</b>		
Share Premium Account:		
Opening Balance	2,800,000	2,800,000
General Reserve:		
Opening Balance	2,500,000	2,500,000
Surplus in statement of profit & loss:		
Opening Balance	66,719,952	54,473,945
Add : Profit for the year	15,060,199	12,246,007
Balance as at year end	81,780,151	66,719,952
<b>Total</b>	<b>87,080,151</b>	<b>72,019,952</b>



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2013	2012
<b>Note : 4 - Long Term Borrowings :</b>		
Secured		
A. From HDFC Bank Ltd, Mumbai.	639,795	509,210
<b>Total</b>	<b>639,795</b>	<b>509,210</b>
i) Securities for Term Loan:		
a Secured by hypothecation of Vehicles		
ii) Terms of repayment :		
a Monthly EMI		
iii) There are no defaults in repayment of loan and interest thereon as on March 31, 2013 for the loan under this head.		
<b>Note : 5 - Short Term borrowings :</b>		
Secured Loans repayable on Demand :		
A. Post Shipment Credit from State Bank of India, Seepz, Mumbai.	285,844,349	210,208,016
B. Export Packing Credit from State Bank of India, Seepz, Mumbai.	64,715,656	102,319,238
<b>Total</b>	<b>350,560,005</b>	<b>312,527,254</b>
1 Securities for Loans :		
A Secured by hypothecation of receivables, equitable mortgage of office premises and personal guarantee of three Directors of the Company.		
B Secured by hypothecation of raw materials, material in process, finished goods, equitable mortgage of office premises & personal guarantee of three Directors of the Company.		
C There are no continuous defaults in repayment of loan and interest thereon as on March 31, 2013 for all the loans under this head.		
<b>Note : 6 - Trade Payables :</b>		
Micro, Small and Medium Enterprises :		
Others	-	-
	105,651,593	80,521,814
<b>Total</b>	<b>105,651,593</b>	<b>80,521,814</b>
i) There was no amount due to small scale under taking exceeding Rs.1 Lac each outstanding for more than 30 days at the close of the year .This disclosure is based on the document / information available to the company regarding their status of the small scale undertaking.		
ii) The above information has been compiled in respect of parties to the extent to which they could be identified as Micro, Small and Medium Enterprises on the basis of information available with the Company.		
<b>Note : 7 - Other Current Liabilities :</b>		
Unclaimed Dividends	310,025	311,725
Other Payables/Provision:		
Other Payables	2,930,388	1,935,913
Payable to Statutory Authorities	183,074	167,798
<b>Total</b>	<b>3,423,487</b>	<b>2,415,436</b>
<b>Note : 8 - Short Term Provisions :</b>		
Corporation Tax Payable (net of excess paid)	5,823,380	5,510,149
<b>Total</b>	<b>5,823,380</b>	<b>5,510,149</b>



**Note : 9 - Fixed Assets**

Nature of Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 31-03-12	Additions During the year	Sales and / or adj. during the year	As at 31-03-13	For the year	On Sales and / or adj. during the year	Up to 31-03-12	Up to 31-03-13	As at 31-03-12	As at 31-03-13
Tangible Assets :										
Buildings	21,656,641	-	-	21,656,641	723,332	-	4,534,095	5,257,427	16,399,214	17,122,546
Plant & Machinery	15,418,265	120,200	-	15,538,465	736,088	-	8,875,007	9,611,095	5,927,370	6,543,258
Furniture and Fixtures	7,332,208	27,443	-	7,359,651	464,385	-	6,604,020	7,068,405	291,246	728,188
Factory/Office Equipments	1,328,591	-	-	1,328,591	63,108	-	479,478	542,586	786,005	849,113
Vehicles	2,522,349	779,763	-	3,302,112	297,261	-	656,533	953,794	2,348,318	1,865,816
Vault	144,180	-	-	144,180	6,849	-	60,666	67,515	76,665	83,514
Air Conditioners	1,750,275	163,411	-	1,913,686	87,698	-	869,364	957,062	956,624	880,911
Electrical Installations	2,451,418	-	-	2,451,418	116,442	-	1,879,338	1,995,780	455,638	572,080
Dies & Moulds	1,567,274	-	-	1,567,274	-	-	1,567,274	1,567,274	-	-
Computers	1,480,493	74,605	-	1,555,098	132,029	-	1,322,013	1,454,042	101,056	158,480
<b>Sub-Total (A)</b>	<b>55,651,694</b>	<b>1,165,422</b>	-	<b>56,817,116</b>	<b>2,627,192</b>	-	<b>26,847,788</b>	<b>29,474,980</b>	<b>27,342,136</b>	<b>28,803,906</b>
Intangible Assets :										
Computer Software	423,571	-	-	423,571	46,212	-	355,540	401,752	21,819	68,031
<b>Sub-Total (B)</b>	<b>423,571</b>	-	-	<b>423,571</b>	<b>46,212</b>	-	<b>355,540</b>	<b>401,752</b>	<b>21,819</b>	<b>68,031</b>
<b>Total (A+B)</b>	<b>56,075,265</b>	<b>1,165,422</b>	-	<b>57,240,687</b>	<b>2,673,404</b>	-	<b>27,203,328</b>	<b>29,876,732</b>	<b>27,363,955</b>	<b>28,871,937</b>
2011-12	39,951,599	16,250,666	127,000	56,075,265	2,330,517	49,179	24,921,990	27,203,328	28,871,937	15,029,609



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2013	2012
<b>Note : 10- Long Term Loans and Advances :</b> [Unsecured, Considered Good] Advances recoverable in cash or in kind or for value to be received : Income Tax	- 936,122	95,018 645,731
<b>Total</b>	<b>936,122</b>	<b>740,749</b>
<b>Note : 11 - Other Current Assets :</b> Unamortized Expenditure Share issue expenses to the extent not w/off	-	52,798
<b>Total</b>	<b>-</b>	<b>52,798</b>
<b>Note : 12 - Inventories :</b> Classification of Inventories : a Raw Materials b Traded Goods c Stores and Spares	53,467,114 852,388 1,098,710	50,945,748 59,483,181 1,171,911
<b>Total</b>	<b>55,418,212</b>	<b>111,600,840</b>
The Inventories are valued at lower of cost and net realisable value.		
<b>Note : 13 - Trade Receivables :</b> Unsecured, Considered good Over Six Months from the date they were due for payment Others	2,374,955 503,597,224	1,341,721 374,239,858
<b>Total</b>	<b>505,972,179</b>	<b>375,581,579</b>
<b>Note : 14 - Cash and Cash Equivalents :</b> Balances with Banks Cash on Hand FDR/TDRs with Bank	6,012,944 145,538 19,421,796	2,779,215 225,509 15,888,235
<b>Total</b>	<b>25,580,278</b>	<b>18,892,958</b>
Earmarked balances with banks: i) Balances with Banks in unclaimed dividend account ii) Company keeps Fixed deposit with the Nationalised/Private Banks. These deposits can be withdrawn by the company as per its own discretion / requirement of funds. iii) Company maintains current accounts mainly with Nationalised /Private Banks.	310,025 19,421,796 5,702,919	311,725 15,888,235 2,467,490
<b>Note : 15 - Short Term Loans and Advances :</b> [Unsecured, Considered Good] Security Deposit Advance recoverable in cash or kind Prepaid expenses Loans to employees Vat refundable	546,974 1,407,127 3,282,513 39,766 6,429,831	479,010 879,160 3,579,687 112,655 6,350,585
<b>Total</b>	<b>11,706,211</b>	<b>11,401,097</b>
<b>Note : 16 - Revenue from Operations :</b> Sale of Products Foreign Exchange Rate Difference	1,116,284,749 18,586,518 1,134,871,267	1,146,166,447 13,520,893 1,159,687,340
<b>Details of sale of products / operations of the Company are as under :</b> a Finished goods b Traded goods	847,215,958 269,068,791	569,483,291 576,683,156
<b>Total</b>	<b>1,116,284,749</b>	<b>1,146,166,447</b>



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2013	2012
<b>Note : 17 - Other Income :</b>		
Other Operating Revenue		
Scrap Sale	37,350	137,000
<b>Total</b>	<b>37,350</b>	<b>137,000</b>
<b>Note : 18 - Cost of Materials Consumed :</b>		
Raw Materials :		
Stock at commencement	50,945,748	66,965,574
Add : Purchases	756,747,527	468,466,324
	<b>807,693,275</b>	<b>535,431,898</b>
Less : Stock at close	53,467,114	50,945,748
<b>Total</b>	<b>754,226,161</b>	<b>484,486,150</b>
Details of Purchase of Raw Material are as under :		
a Gold	504,333,516	239,315,237
b Diamonds	248,072,309	203,167,867
c Others	4,341,702	25,983,221
	<b>756,747,527</b>	<b>468,466,325</b>
Value of Consumption of Raw Material		
a Indegenous	718,088,446	389,324,765
b Imported	36,137,715	95,161,385
	<b>754,226,161</b>	<b>484,486,150</b>
<b>Note : 19 - Purchase of Stock-in-Trade :</b>		
Purchase of Stock-in-Trade	203,060,499	563,610,652
<b>Total</b>	<b>203,060,499</b>	<b>563,610,652</b>
<b>Note : 20 - Changes in Inventories :</b>		
Stock at commencement		
Finished Goods	59,483,181	63,258,834
Work in Progress	-	68,950
<b>Total (A)</b>	<b>59,483,181</b>	<b>63,327,784</b>
Stock at close :		
Finished Goods	852,388	59,483,181
<b>Total (B)</b>	<b>852,388</b>	<b>59,483,181</b>
<b>(A-B)</b>	<b>58,630,793</b>	<b>3,844,603</b>
<b>Note : 21 - Employee Benefit Expense :</b>		
Salaries, Wages and Bonus	31,879,140	29,972,507
Company's Contribution to Provident & Other funds	469,190	470,545
Gratuity	631,487	506,109
Staff Welfare Expenses	744,993	979,991
<b>Total</b>	<b>33,724,810</b>	<b>31,929,152</b>
<b>Note : 22 - Finance Cost :</b>		
Interest on Cash Credit Loan (Net)	30,134,953	23,313,164
Bank Commission & Charges	3,882,018	5,238,049
<b>Total</b>	<b>34,016,971</b>	<b>28,551,213</b>



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2013	2012
<b>Note : 23 - Other Expenses :</b>		
Consumption of Stores and spares parts	3,957,286	3,774,653
Power & Fuel	2,425,907	2,320,839
Water Charges	351,770	177,286
Rent	1,309,192	1,475,026
Repairs and Maintenance:		
Factory Buildings	364,798	242,047
Plant and Machinery	309,638	537,215
Computer	253,445	247,995
Others	857,257	392,703
Insurance & ECGC Premium	6,358,766	6,483,248
Audit Fees	85,000	85,000
Rates and Taxes	185,154	98,366
Traveling & Conveyance Expenses	1,244,991	934,479
Legal and Professional Fees	1,894,909	1,323,126
Printing & Stationery	323,704	414,863
Telephone & Postage	323,546	498,469
Marketing, Selling & Distribution Expenses :		
Advertisement & Sales promotion expenses	3,807,567	3,551,638
Commission on sales	534,291	640,000
Freight and forwarding on sales	2,057,092	2,242,182
Sundry balance written off/(back)	(932,257)	(414,884)
Loss on sale of Assets	-	73,321
Miscellaneous Expenses	335,871	733,589
Share Issue Expenses Written Off	52,798	57,897
<b>Total</b>	<b>26,100,725</b>	<b>25,889,058</b>
Rent Expenses :		
The Company has taken residential / office premises under operating lease or leave and license agreement. The lease terms in respect of such premises are on the basis of individual agreement entered into with the respective landlord/owner. The lease payments are recognised in the above note under " Rent ".		

<b>Note : 24 - Deferred Tax :</b>			
A The Net Deferred Tax Liability of 2,30,945/- [ Previous Year : 46,962/-] for the year has been provided in the Profit and Loss Account.			
B Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under :			
	As at 31-03-12	INR - Charge for the year to Profit & Loss Account	As at 31-03-13
Deferred Tax Liabilities :			
Depreciation	1,984,645	(100,948)	1,883,697
<b>Total</b>	1,984,645	(100,948)	1,883,697
Deferred Tax Assets :			
Gratuity	1,001,237	129,997	1,131,234
<b>Total</b>	1,001,237	129,997	1,131,234
Net Deferred Tax Liability	<b>983,408</b>	<b>(230,945)</b>	<b>752,463</b>



Previous year	As at 31-03-11	Profit & Loss Account	As at 31-03-12
Deferred Tax Liabilities :			
Depreciation	1,918,170	66,475	1,984,645
<b>Total</b>	1,918,170	66,475	1,984,645
Deferred Tax Assets :			
Gratuity	887,800	113,437	1,001,237
<b>Total</b>	887,800	113,437	1,001,237
Net Deferred Tax Liability	<b>1,030,370</b>	<b>(46,962)</b>	<b>983,408</b>

**Note : 25 - Calculation of Earnings per Equity Share [ EPS ] :**

The numerators and denominators used to calculate the basic and diluted EPS are as follows :

		Reporting year ended March,31	
		2013	2012
A	Profit after tax attributable to Shareholders	INR 15,060,199	12,246,007
B	Basic and weighted average number of Equity shares outstanding during the year	Nos. 6,964,080	6,964,080
C	Nominal value of equity share	INR 10	10
D	Basic EPS	INR 2.16	1.76
E	Diluted EPS	INR 2.16	1.76

**Note : 26 - Related Party Transactions :**

A Name of the Related Party and Nature of the Related Party Relationship :

- a) Holding Company  
Neverloose Properties & Investment Pvt. Limited.
- b) Key Management Personnel

Name	Designation	Transaction	2013	2012
i Shri. Kantikumar Dadha	Chairman & Managing Director	Remuneration & Perquisites	1,102,115	890,221
ii Shri. Karansingh Baid	Executive Director	Remuneration & Perquisites	889,050	720,000
iii Shri. Arvind Dadha	Executive Director	Remuneration & Perquisites	889,609	716,158

B The following transactions were carried out with the related parties in the ordinary course of business :

a) Details relating to parties referred to in items 26 - A (b)

i Mrs. Kusum Dadha	Rent	453,000	312,000
ii Mr. Ashish Dadha	Salary	752,500	564,000

**Note : 27 - Contingent Liabilities and commitment to the extent not provided for :**

i) Contingent Liabilities :

a	In respect of guarantees given by Banks and / or counter guarantees given by the Company	Uncertainable	Uncertainable
b	Other money for which the company is contingent liable :		
	In respect of Income Tax matters pending before the Income Tax Officer which the Company expects to be deleted.	955,291	955,291

**Note : 28 - Value of Imports calculated on CIF basis :**

Raw Materials	24,343,099	86,168,982
Stores & Spare parts	379,388	234,450
<b>Total</b>	<b>24,722,487</b>	<b>86,403,432</b>





<b>Note : 29 - Earning in Foreign Currency :</b>			
Export at F.O.B. Basis		1,081,270,256	1,062,063,446

<b>Note : 30 - Consumption of Store &amp; Consumables</b>	<b>Reporting year ended March,31</b>			
	<b>2013</b>		<b>2012</b>	
	%	Amounts	%	Amounts
	a Indigenus	87.30	3,454,843	91.75
b Imported	12.70	502,445	8.25	311,392
	100.00	3,957,288	100.00	3,774,653

<b>Note : 31 - Expenditure in Foreign Currency :</b>			
Travelling Expenses		227,156	64,513
	<b>Total</b>	<b>227,156</b>	<b>64,513</b>

**Note : 32**  
Balances in respect of Unsecured Loans, Loans & Advances, Sundry Debtors & Sundry Creditors are subject to confirmation by respective parties.

**Note : 33**  
Previous year's figures have been regrouped / rearranged wherever necessary to confirm to the current year grouping.

**Significant Accounting Policies and Notes to the Financial Statements 1 to 33**

As per our report of even date  
**FOR A.J. BALIYA & ASSOCIATES**  
Chartered Accountants

For and on behalf of Board of Directors

**KANTIKUMAR DADHA**

Chairman & Managing Director

**(CA M.P. MODY)**  
Partner  
MEMBERSHIP NO.: FCA 42975  
MUMBAI , May 30, 2013

**KARANSINGH BAID**

Executive Director

**ARVIND DADHA**

Executive Director



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	2012-13		2011-12	
	Rs.	Rs.	Rs.	Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Net Profit Before Tax &amp; Extra-ordinary Items</b>		<b>22,475,254</b>		<b>19,182,995</b>
Adjustments for -				
Depreciation	2,673,404		2,330,517	
Interest Charged	30,134,953		23,313,164	
Loss on Sale of Vehicle	-		73,321	
Share Issue Expenses Written off	52,798		57,897	
Foreign Exchange Rate Difference	(18,586,518)		(13,520,893)	
		<b>14,274,637</b>		<b>12,254,006</b>
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>		<b>36,749,891</b>		<b>31,437,001</b>
Adjustments for :				
Trade & Other Receivable	(130,600,696)		(58,270,061)	
Inventories	56,182,628		19,840,369	
Liabilities	26,530,878		13,196,634	
		(47,887,190)		(25,233,058)
Cash Generated from Operations		(11,137,299)		6,203,943
Interest Paid		(30,134,953)		(23,313,164)
Direct Tax Paid		(7,623,160)		(5,468,851)
Cash Flow Before Extra-Ordinary Items		(48,895,412)		(22,578,072)
<b>NET CASH FROM OPERATING ACTIVITIES A</b>		<b>(48,895,412)</b>		<b>(22,578,072)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Sale of Fixed Assets	-		4,500	
Purchases of Fixed Assets	(1,165,422)		(16,250,666)	
<b>NET CASH USED IN INVESTING ACTIVITIES B</b>		<b>(1,165,422)</b>		<b>(16,246,166)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings	38,163,336		32,170,337	
Dividend paid	(1,700)		(3,170,315)	
Tax on dividend paid	-		(578,323)	
<b>NET CASH USED IN FINANCE ACTIVITIES C</b>		<b>38,161,636</b>		<b>28,421,699</b>
<b>C FOREIGN EXCHANGE RATE DIFFERENCE D</b>		<b>18,586,518</b>		<b>13,520,893</b>
<b>Net Decrease in Cash and Cash Equivalents (A+B+C+D)</b>		<b>6,687,320</b>		<b>3,118,354</b>
<b>Opening Balance of Cash &amp; Cash Equivalents</b>		<b>18,892,958</b>		<b>15,774,604</b>
<b>D Closing Balance of Cash &amp; Cash Equivalents</b>		<b>25,580,278</b>		<b>18,892,958</b>

As per our report of even date  
**FOR A.J. BALIYA & ASSOCIATES**  
 Chartered Accountants

For and on behalf of Board of Directors  
**KANTIKUMAR DADHA**  
 Chairman & Managing Director

(CA M.P. MODY)  
 Partner  
 MEMBERSHIP NO.: FCA 42975  
 MUMBAI , May 30, 2013

**KARANSINGH BAID**  
 Executive Director  
**ARVIND DADHA**  
 Executive Director



**The Board of Directors,**

Golkunda Diamonds & Jewellery Ltd.,  
G-30, Gem & Jewellery Complex III,  
SEEPZ, Andheri (E),  
MUMBAI - 400 096.

We have examined the attached Cash Flow Statement of Golkunda Diamonds & Jewellery Limited for the year ended 31st March, 2013. The Statement has been prepared by the Company in accordance with the requirements of Clause 32 of listing agreements with the Stock Exchanges and is based on and in agreement with the corresponding Statement of Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

**FOR A.J. BALIYA & ASSOCIATES**

Chartered Accountants

**(CA M.P. MODY)**

Partner

MEMBERSHIP NO.: FCA 42975

MUMBAI , May 30, 2013



Dear Shareholder,

**Sub: "GO GREEN" initiative of the Ministry of Corporate Affairs ("MCA"), Government of India**

The Ministry of Corporate Affairs ("MCA"), Government of India, has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies vide circular no. 17/2011 dated 21.04.2011 and circular no. 18/2011 dated 29.04.2011, in terms of which a company would have ensured compliance with the provisions of Section 53 of the Act, if services of documents have been made through electronic mode. The companies are now permitted to send various notices /documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

This move by the Ministry is welcome since it will benefit the society at large through reduction in paper consumption and contribution towards a Greener Environment. The Company thus proposes to send all documents to the Shareholders like General Meeting Notices (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. henceforth to the shareholders in electronic form to the e-mail address provided by you and made available to us by the depositories (viz NSDL/CDSL). If you desire to have a different e-mail Id registered, please update the same with your Depository Participant (DP) immediately. All those shareholder who have not yet registered their e-mail Ids and are holding shares in electronic form are requested to immediately register the e-mail Ids with your concerned DP's. Those share holders who are still holding shares in physical form are requested to communicate with our Registrar & Share Transfer Agents (RTA), **Sharex Dynamic (India) Pvt Ltd. Unit-1 Luthra Ind Premises, E.M.Vasanji Marg, Safed Pool, Andheri Kurla Road, Andheri (East) Mumbai 400 072**, or mail to them at **golkundagreen@sharexindia.in** quoting the Company Name , your name & Folio-Nos.

As a member of the company, In case you desire to receive the documents stated above in physical form, you will be entitled to be furnished, free of cost, a printed copy of the Annual Report of the Company, upon receipt of a requisition from you, at any time. The physical copies of these notices/documents will also be available at our Administrative Office in Mumbai for inspection during office hours.

The Annual Report of the Company would also be made available on the Company's website at **www.golkunda.com** or may download the same from our RTA's web site **www.sharexindia.com**.

We are sure that you will welcome the "Green Initiative" taken by the MCA and your company's desire to participate in the same

Thanking you,

For **Golkunda Diamonds & Jewellery Ltd**

**Kanti Kumar Dadha**

Chairman & Managing Director

Dated: 30th May, 2013

## GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Registered Office : G/30, Gems & Jewellery Complex III, SEEPZ,  
Andheri (East), Mumbai - 400 096.

Please complete the Attendance slip and hand it over at the Meeting Hall. Please also bring your copy of the enclosed Annual Report.

### ATTENDANCE SLIP

I hereby record my presence at the 23rd ANNUAL GENERAL MEETING of the Company convened at "Banquet Hall", Matoshri Arts & Sports Club, Jogeshwari - Vikhroli Link Road, Andheri (East), Mumbai - 400 093. on 28th September, 2013 at 4.00 P.M.

\_\_\_\_\_  
REG. FOLIO NO.

\_\_\_\_\_  
NO. OF SHARES

\_\_\_\_\_  
NAME OF THE MEMBER (IN BLOCK LETTERS)

\_\_\_\_\_  
SIGNATURE OF THE MEMBER OR PROXY

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## GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Registered Office : G/30, Gems & Jewellery Complex III, SEEPZ,  
Andheri (East), Mumbai - 400 096.

### PROXY FORM

\_\_\_\_\_  
REG. FOLIO NO.

\_\_\_\_\_  
NO. OF SHARES

I/We \_\_\_\_\_

of \_\_\_\_\_

hereby appoint \_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_

or falling him \_\_\_\_\_ of \_\_\_\_\_

as my/our Proxy to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting to be held on 28th September, 2013 and at any adjournment thereof.

Signed by the said \_\_\_\_\_

NOTE : The form of proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting.

**BOOK - POST**

*If Undelivered, Please return to:*

REGISTERED OFFICE:  
**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**  
G/30, Gems & Jewellery Complex III, SEEPZ,  
Andheri (East), Mumbai - 400 096.





# GOLKUNDA DIAMONDS & JEWELLERY LIMITED

CIN No.: L36912MH1990PLC058729

REGD. OFF.: G-30, GEMS & JEWELLERY COMPLEX - III, SEEPZ, ANDHERI (EAST), MUMBAI - 400 096, INDIA  
 Tel.: (91-22) 2829 0155 / 2829 0156 / 6693 8470 Fax : 2829 0373 Email : admin@golkunda.com Web : www.golkunda.com

## FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1	Name of the Company	GOLKUNDA DIAMONDS & JEWELLERY LTD
2.	Annual Financial Statement for the year ended	31 <sup>ST</sup> March, 2013
3.	Type of Audit observation	Un - qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	<p>For Golkunda Diamonds &amp; Jewellery Ltd</p> <p><i>[Signature]</i></p> <p>Kanti Kumar Dadha (Chairman &amp; Mang. Director)</p> <p>For Golkunda Diamonds &amp; Jewellery Ltd</p> <p><i>[Signature]</i></p> <p>Ashish Dadha (Chief Financial Officer)</p> <p>For A.J.Baliya &amp; Associates (Firm No. 100948W)</p> <p><i>[Signature]</i></p> <p>C.A. Mukesh P Mody (Partner) Membership No. 42975</p> <p>For Golkunda Diamonds &amp; Jewellery Ltd</p> <p><i>[Signature]</i></p> <p>Mangilal Maloo (Chairman, Audit Committee)</p>