



GOLKUNDA DIAMONDS & JEWELLERY LIMITED



24th

ANNUAL REPORT

2013-2014



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGISTERED OFFICE

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

BOARD OF DIRECTORS

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

BANKERS

State Bank of India
Bank of India
Axis Bank Limited
Punjab National Bank

AUDITORS

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

COMPANY SECRETARY

Priya Khandelwal

WORKS

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

REGISTRAR

Sharex Dynamic (India) Pvt. Ltd.
Unit – 1, Luthra Industrial Premises, Safed Pool,
Andheri Kurla Road, Andheri (East),
Mumbai – 400 072.
Tel.: 2851 5606 / 2851 5644
Email : investor@sharexindia.com

DEMATERIALIZATION OF SECURITIES

ISIN-INE798D01015

WEBSITE

www.golkunda.com



NOTICE

NOTICE is hereby given that the **24th Annual General Meeting** of the members of **Golkunda Diamonds & Jewellery Limited**, will be held at **“SUNCITY RESIDENCY HOTEL, Eden – Hall, 16th Road, Masheshwari Nagar, MIDC, Marol, Andheri (E) Mumbai – 400 093”** on **27th September, 2014** at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and Statement of Profit & Loss for the year ended on that date together with report of the Board of Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March 2014.
3. To appoint a Director in place of Mr. Karan Singh Baid (Holding DIN: 00283224) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment thereof for the time being in force, M/s. Motilal & Associates, Chartered Accountants (having Firm Registration No. 106584W) be and is hereby appointed as the Statutory Auditors of the Company, in place of M/s. A. J. Baliya & Associates, Chartered Accountants, who have expressed their unwillingness to be re-appointed as Auditors of the Company, and shall hold office from the conclusion of this 24th Annual General Meeting until the conclusion of 29th Annual General Meeting and their appointment shall be ratified at the every Annual General Meeting till 29th Annual General Meeting and in respect of whom the Company has received a special notice from a members, pursuant to the provisions of section 115 read with 140(4) of Companies Act, 2013, signifying his intention to propose the appointment of M/s. Motilal & Associates, as Statutory Auditors, on such remuneration as may be determined by the Board of Directors.”

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. B. K. Ashok (holding DIN: 00922780), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.”
6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Gautam Dadha (holding DIN: 00317378), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.”
7. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Mangilal Maloo (holding DIN: 03041373), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014 and whose office shall not, henceforth, be liable to determination by retirement of directors by rotation.”



8. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Kantikumar Dadha (DIN: 00283289) as Managing Director of the Company (not liable to retire by rotation) for the further period of Three years with effect from 1st October, 2014 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
- The following perquisites however shall not be included in the computation of the ceiling on remuneration:
- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - (c) Encashment of leave at the end of the tenure.
- RESOLVED FURTHER THAT pursuant to the provisions of Section 203 read along with rules made their under, the consent of the members of the Company be and is hereby accorded for appointment / continuation of appointment of Mr. Kantikumar Dadha, Managing Director as Chairman of the Company w.e.f. 01.04.2014.
- RESOLVED FURTHER THAT Mr. Kantikumar Dadha shall be entitled to the re-imbursment of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.
- RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”
9. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Arvind Dadha (DIN: 00317631) as Whole Time Director of the Company for the further period of Three years with effect from 1st October, 2014 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
- The following perquisites however shall not be included in the computation of the ceiling on remuneration:
- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
 - (c) Encashment of leave at the end of the tenure.
- RESOLVED FURTHER THAT Mr. Arvind Dadha shall be entitled to the re-imbursment of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.
- RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”
10. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:
- “RESOLVED THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with



Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the re-appointment of Mr. Karan Singh Baid (DIN: 00283224) as Whole Time Director of the Company for the further period of Three years with effect from 10th November, 2014 on payment of remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

The following perquisites however shall not be included in the computation of the ceiling on remuneration:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
- (c) Encashment of leave at the end of the tenure.

RESOLVED FURTHER THAT Mr. Karan Singh Baid shall be entitled to the re-imbusement of all out of pocket expenses which may be incurred by him for and in the course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

11. To consider and if thought fit, to pass with or without modification the following as Special resolution:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 and of the Companies Act, 2013 including any statutory modifications, or re-enactments thereof and pursuant to the provisions of the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow from time to time, for the purpose of the Company's business any sum or sums of money for an aggregate amount outstanding at any point of time not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore Only), (i.e. any component of borrowing repaid by the company to the persons / banker / lending institution will again be available to the company for borrowing as long as the said ceiling of outstanding amount) notwithstanding that the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed at any time, the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purposes.

FURTHER RESOLVED THAT the Board of Directors or any person authorized by the Board or any individual Director holding position of a directorship as on the date of borrowing, from time to time be and is hereby empowered and authorised to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

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: 26.05.2014

KANTI KUMAR DADHA
(Chairman & Managing Director)

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy form duly completed should be deposited at the registered office of the Company not less than forty- eight hours (48 hours) before the scheduled time of the Annual General Meeting. Blank Proxy Form is enclosed.
2. The Explanatory Statement pursuant to Section 102 of Companies Act, 2013, relating to the Special Business as set out in Item Nos. 5 To 11 and relevant details in respect of item No. 3 pursuant to the provision of Clause of the Listing agreement, are annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from 23.09.2014 to 27.09. 2014 (Both days inclusive) for the purpose of determining eligibility of members entitled to dividend.



4. Members are hereby informed that in terms of the provisions of Section 205A of the Companies Act, 1956, dividend unpaid or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund (IEPF) established by the Government in terms of the provisions of Section 205C of the Companies Act, 1956.
5. Dividend as may be declared shall be payable to members of the company whose names appear:
 - (a) As beneficial owners as at the close of the business hours on September 22nd, 2014 as per the details to be furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited in respect of shares held in electronic form; and
 - (b) As members in the register of members of the company after giving effect to valid share transfers in physical form lodged with the company on or before September 22, 2014. Transfer documents received after September 22, 2014 will not be considered for the aforesaid purposes.
6. All the members who have either not received or have not yet encashed their dividend warrant(s) for the financial year March 31, 2007 till the period ended March 31, 2013, are requested to write to the Company's Registrar and Share Transfer Agent at the address mentioned below for obtaining duplicate dividend warrant without further delay.
7. Members holding shares in the electronic form are advised that their bank details, as furnished to the company by the respective depositories, viz., NSDL & CDSL, will be printed on the dividend warrants. Members holding shares in electronic form are further advised to communicate to their respective depository participants, changes, if any, in their address/bank account. Members desiring to receive dividend through electronic clearing system may submit the requisition accordingly.
8. Members desirous of getting any information about accounts of the Company are requested to send their queries at the Registered Office of the Company at least 10 days prior to the date of meeting so that the requisite information can be readily made available at the meeting
9. Members / proxies are requested to bring the copies of annual report and attendance slip duly filled while attending the meeting.
10. The Securities and Exchange Board of India has notified that the shareholders/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders / transferee of shares (including joint holders) are requested to furnish a self attested copy of their PAN Card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action.
11. Electronic copy of the Annual Report for FY 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a Physical copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2013-14 are being sent through the permitted mode. Members may also note that the Annual Report for FY 2013-14 will also be available on the Company's website www.golkunda.com for their download.

12. E-Voting

In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration Rules) Rules, 2014, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 21.09.2014 at 9.00 A.M. and ends on 23.09.2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 29.08.2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:



For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant GOLKUNDA DIAMONDS & JEWELLERY LTD on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non – Individual Shareholders and Custodians
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Ms. Hetal Shah, Practicing Company Secretary (Membership No. ACS 24998), has been appointed as the scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(2) OF THE COMPANIES ACT, 2013

ITEM 5 TO 7:

Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo have been the Independent Directors of your Company in terms of Clause 49 of the Listing Agreement and have held office as such for more than 5 (five) years in the Company.

The provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors have come into force with effect from 1st April, 2014. Accordingly, in terms of provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014, it is proposed to appoint Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo as Independent Directors of the Company for a term up to 5 (five) consecutive years with effect from the date of the Annual General Meeting to be held on 27th September, 2014.

The Company has received a notice in writing from a shareholder along with the requisite deposit pursuant to Section 160 of the Act, proposing the candidatures of Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo for the office of Independent Directors, to be appointed as such under the provisions of Section 149 of the Act.

The Company has received from all the above named Directors (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that they are not disqualified under sub-section (2) of Section 164 of the Act and (iii) a declaration to the effect that they meet the criteria of independence as provided in sub-section (6) of Section 149 of the Act.

Accordingly, the Ordinary Resolutions proposed in Item Nos. 5 to 7 seek the approval of shareholders for the appointment of Mr. B. K. Ashok, Mr. Gautam Dadha and Mr. Mangilal Maloo as Independent Directors of the Company for a term of 5 (five) consecutive years.

In the opinion of the Board each of the above Directors fulfill the conditions for appointment as an Independent Director as specified in the Act and the Listing Agreement with the Stock Exchanges and they are independent of the management.

Brief profile of all the above Directors, nature of their expertise in specified functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Except the Independent Directors and their relatives (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions proposed in Item Nos. 5 to 7.

ITEM 8:

Tenure of appointment of Mr. Kanti Kumar Dadha as Managing Director expires on 30th September, 2014. Having regards to the knowledge and experience in the Diamonds, Gems & Jewellery Business and likely growth of the business of the Company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Kanti Kumar Dadha as Chairman and Managing Director of the Company w.e.f. 1st October, 2014 for the period of further Three years. The re-appointment and remuneration has been approved by the Board of Directors and Remuneration Committee in their respective meeting held on 26th May, 2014.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.10.2014 to 30.09.2017

Terms of Appointment

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Kanti Kumar Dadha as detailed above, wherein any financial year during tenure of office of Mr. Kanti Kumar Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Kanti Kumar Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- (a) contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- (b) gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- (c) encashment of leave at the end of the tenure.

**STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):****I: General Information about the Company:**

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- Date of Commencement of Commercial Production:** The Company was incorporated on 30th October, 1990. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the business of manufacturer, dealer of polished gems, diamonds and other stones.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2014 are as under:

Particulars	For the Year ended 31.03.2014 (Rs.)
Total Income	1,19,81,22,042
Net Profit Before Depreciation and Tax	8,09,02,496
Depreciation	21,97,140
Net Profit Before Tax	7,87,05,356
Provision for Taxation	2,82,05,289
Net Profit after Tax	5,05,00,067

- Foreign Investments or Collaborators:** The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.

II: Information about the Appointee:

- Brief Profile of Appointee:** Mr. Kanti kumar Dadha holds B.Com Degree. Mr. Kantikumar Dadha has been involved in the activities of the Company since incorporation. He is pioneer in the set up, management and operation of the Manufacturing Division of the Company.
- Past remuneration:** In the past, Mr. Kanti kumar Dadha has drawn Remuneration not exceeding Rs. 2,50,000/- p.m. from the Company.
- Recognition and Award received in past:** Mr. Kantikumar Dadha is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
- Job Profile and Suitability:** Mr. Kantikumar Dadha is responsible for administration, production and direction for the organization. He is responsible for overall strategy and planning of the Company.
- Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Kantikumar Dadha for an amount not exceeding Rs. 2,50,000/- per month.
- Comparative Remuneration in the Industry:** Considering the nature of industry and specialty of services rendered by Mr. Kantikumar and also considering the complex role performed by Mr. Kantikumar Dadha no comparative remuneration of industry is available for information.
- Material Pecuniary Relationship:** Mr. Arvind Dadha is a Whole Time Director, son of Mr. Kanti Kumar Dadha and draws remuneration from the Company. Mr. Ashish Dadha, son of Mr. Kanti Kumar Dadha, is a Senior Executive, Finance draws remuneration from the Company.

III: Other information:

- Reason for inadequate Profit and measures taken for improvement:** The Company had to raise its bar on quality and processes to match international standards and in the process, spent substantially on inputs for the same. Also, competitive offer prices for penetration in new markets and offering of new products, resulted in substantial pressure on margin.
- Steps taken and proposed to be taken for improvement:** The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
- Expected Increase in Profits in Measurable Terms:** Considering the proposed businesses and the projects of the Company, it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However company expects 20% to 25 % growth in income and profitability in next 3 years.

The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 161, 196, 197 and any other applicable provisions of the Companies Act, 2013



(corresponding to Sections 260, 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board of Directors recommends the Special Resolution set out at Item No. 8 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Kantikumar Dadha and Mr. Arvind Dadha (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 8.

ITEM 9:

Tenure of appointment of Mr. Arvind Dadha as Whole Time Director expires on 30th September, 2014. Having regards to the knowledge and experience in the Diamond & Jewellery Marketing and procurement of Raw Material and likely growth of the business of the company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Arvind Dadha as Whole Time Director of the Company w.e.f. 1st October, 2014 for the further period of Three years. The re-appointment and remuneration has been approved by the Board and Remuneration Committee in their respective meeting held on 26th May, 2014.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 01.10.2014 to 30.09.2017

Terms of Appointment

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Arvind Dadha as detailed above, wherein any financial year during tenure of office of Mr. Arvind Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Arvind Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- encashment of leave at the end of the tenure.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

I: General Information about the Company:

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- Date of Commencement of Commercial Production:** The Company was incorporated on 30th October, 1990. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the business of manufacturer, dealer of polished gems, diamonds and other stones.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2014 are as under:

Particulars	For the Year ended 31.03.2014 (Rs.)
Total Income	1,19,81,22,042
Net Profit Before Depreciation and Tax	8,09,02,496
Depreciation	21,97,140
Net Profit Before Tax	7,87,05,356
Provision for Taxation	2,82,05,289
Net Profit after Tax	5,05,00,067



- 4 **Foreign Investments or Collaborators:** The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.

II: Information about the Appointee:

1. **Brief Profile of Appointee:** Mr. Arvind Dadha holds B.com Degree from Mumbai University having an experience of 11 years in the Industry.
2. **Past remuneration:** In the past, Mr. Arvind Dadha has drawn Remuneration not exceeding Rs. 2,50,000/- p.m. from the Company.
3. **Recognition and Award received in past:** Mr. Arvind Dadha is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
4. **Job Profile and Suitability:** Mr. Arvind Dadha is responsible for manufacturing and marketing functions of the Company.
5. **Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Arvind Dadha for an amount not exceeding Rs. 2,50,000/- per month.
6. **Comparative Remuneration in the Industry:** Considering the nature of industry and specialty of services rendered by Mr. Arvind Dadha and also considering the complex role performed by Mr. Arvind Dadha no comparative remuneration of industry is available for information.
7. **Material Pecuniary Relationship:** Mr. Kanti Kumar Dadha, Father of Mr. Arvind Dadha is a Managing Director of the Company and draws remuneration from the Company and Mr. Ashish Dadha, brother of Arvind Dadha is a Senior Executive, Finance draws remuneration from the Company.

III: Other information:

1. **Reason for inadequate Profit and measures taken for improvement:** The Company had to raise its bar on quality and processes to match international standards and in the process, spent substantially on inputs for the same. Also, competitive offer prices for penetration in new markets and offering of new products, resulted in substantial pressure on margin.
2. **Steps taken and proposed to be taken for improvement:** The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
3. **Expected Increase in Profits in Measurable Terms:** Considering the proposed businesses and the projects of the Company, it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However company expects 20% to 25 % growth in income and profitability in next 3 years.

The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 161, 196, 197 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 260, 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board of Directors recommends the Special Resolution set out at Item No. 9 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Arvind Dadha and Mr. Kantikumar Dadha (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 9.

ITEM 10:

Tenure of appointment of Mr. Karan Singh Baid as Whole Time Director expires on 9th November, 2014. Having regards to the knowledge and experience in the Diamond & Jewellery manufacturing and likely growth of the business of the company under his able guidance and supervision, it is proposed, subject to approval of members in the General Meeting to re-appoint Mr. Karan Singh Baid as Whole Time Director of the Company w.e.f. 10th November, 2014 for the further period of Three years. The re-appointment and remuneration has been approved by the Board and Remuneration Committee in their respective meeting held on 26th May, 2014.

The terms and conditions of the draft agreement are set out herein below:

Period of Appointment: 10.11.2014 to 09.11.2017

Terms of Appointment

Remuneration not exceeding Rs. 2,50,000/- per month including Basic Salary, House Rent Allowance and other Perquisites, Bonus, Performance Incentives, Commission and other additional perquisites as approved by Board from time to time as per the rules of the Company, in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.



For the purpose of computing ceiling on perquisites, the same will be valued as per Income Tax Rules, 1962 wherever applicable.

Notwithstanding the remuneration payable to Mr. Karan Singh Baid as detailed above, wherein any financial year during tenure of office of Mr. Karan Singh Baid, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Mr. Karan Singh Baid by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule V of the Companies Act, 2013 or within such ceiling limits as may be recodified unless otherwise approved by the Central Government.

The following perquisites however shall not be included in the computation of the ceiling on remuneration as stated above.

- contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961;
- gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- encashment of leave at the end of the tenure.

STATEMENT OF INFORMATION AS REQUIRED UNDER SCHEDULE V, PART II, SECTION II (B) (IV):

I: General Information about the Company:

- Nature of Industry:** The object of the company for which it is formed is to manufacture and deal in polished gems, diamonds and other stones.
- Date of Commencement of Commercial Production:** The Company was incorporated on 30th October, 1990. Immediately after incorporation, the Company has commenced commercial operation and till date the Company is engaged in the business of manufacturer, dealer of polished gems, diamonds and other stones.
- Financial Performance Based on Given Indicators:** The financial data as per last audited Balance Sheet as on 31st March, 2014 are as under:

Particulars	For the Year ended 31.03.2014 (Rs.)
Total Income	1,19,81,22,042
Net Profit Before Depreciation and Tax	8,09,02,496
Depreciation	21,97,140
Net Profit Before Tax	7,87,05,356
Provision for Taxation	2,82,05,289
Net Profit after Tax	5,05,00,067

- Foreign Investments or Collaborators:** The Company has not made any investment in foreign body corporate or foreign entities. The Company do not have any foreign collaboration and has not received or invested any money towards foreign collaboration and hence no information to be provided in this respect.

II: Information about the Appointee:

- Brief Profile of Appointee:** Mr. Karan Singh Baid holds D.E.E Degree. Mr. Karan Singh Baid has been involved in the activities of the Company since incorporation. He is pioneer in the set up, management and operation of the Manufacturing Division of the Company.
- Past remuneration:** In the past, Mr. Karan Singh Baid has drawn Remuneration not exceeding Rs. 2,50,000/- p.m. from the Company.
- Recognition and Award received in past:** Mr. Karan Singh Baid is associated with the various Social Organizations. However there is no reportable Recognition and Award received.
- Job Profile and Suitability:** Mr. Karan Singh Baid is responsible for administration, production and direction for the organization.
- Remuneration proposed:** It is proposed to pay Managerial Remuneration to Mr. Karan Singh Baid for an amount not exceeding Rs. 2,50,000/- per month.
- Comparative Remuneration in the Industry:** Considering the nature of industry and specialty of services rendered by Mr. Karan Singh Baid and also considering the complex role performed by Mr. Karan Singh Baid no comparative remuneration of industry is available for information.
- Material Pecuniary Relationship:** The Company does not any material pecuniary relationship with Mr. Karan Singh Baid.

III: Other information:

- Reason for inadequate Profit and measures taken for improvement: The Company had to raise its bar on quality and



processes to match international standards and in the process, spent substantially on inputs for the same. Also, competitive offer prices for penetration in new markets and offering of new products, resulted in substantial pressure on margin.

2. Steps taken and proposed to be taken for improvement: The Company is taking every possible steps to increase the business volume and thereby profitability. Measures have been taken to controls input costs and overheads. The Company has focused on exports. The bottom-line of the company has been increasing steadily over past 3 years.
3. Expected Increase in Profits in Measurable Terms: Considering the proposed businesses and the projects of the Company, it is not possible to ascertain and quantify the expected increase in profits in measurable terms at this stage. However company expects 20% to 25 % growth in income and profitability in next 3 years.

The appointment can be terminated by either party by giving 3 months notice.

Accordingly, as per the provisions of Sections 161, 196, 197 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 260, 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board of Directors recommends the Special Resolution set out at Item No. 10 of the accompanying Notice for the approval of the Members.

None of the Directors except Mr. Karan Singh Baid (who may be deemed to be interested in the respective resolutions, to the extent of their shareholdings, if any, in the Company) none of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution proposed in Item Nos. 10.

ITEM 11:

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 the Board of Directors of a Company can not, except with the consent of Members in General Meeting by a special resolution, borrow any sum or sums of money from time to time for the purposes of business of the Company, if the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) exceeds the aggregate of the Paid-up Capital of the Company and its Free Reserves, that is to say, reserves not set apart for any specific purpose.

In order to meet the funds requirement of the Company, from time to time intended to be borrowed by Company at a future date and in order to facilitate availing additional Banking facilities for the Company in the form of long term or medium term loans for an amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) outstanding at any point of time (i.e any component of borrowing repaid by the company to the persons / banker / lending institution will again be available to the company for borrowing as long as the said ceiling of outstanding amount), it is proposed to have approval of members of the Company.

The Directors therefore, recommend the Special Resolution for approval of the shareholders. None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution.

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: 26.05.2014



ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. B. K. Ashok	Mr. Gautam Kumar Dadha	Mr. Mangilal Maloo
Date of Birth	01.11.1956	23.04.1944	10.10.1946
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	10.04.2003	15.10.2003	30.04.2010
Qualification	B.A.	B.Sc.	B.Com
Expertise	Labour Law Matters	Gems and Jewellery Marketing	Accounts and Finance
Number of shares held in the Company	NIL	NIL	NIL
List of Directorships held in other companies	SEEPZ Gems and Jewellery Manufacturers Association	NIL	NIL
Chairman/ Member of the Committee of the Board of Companies in which he is Director (other than Golkunda)	NIL	NIL	NIL

Name of Director	Mr. Kantikumar Dadha	Mr. Arvind Dadha	Mr. Karan Singh Baid
Date of Birth	22.06.1948	31.12.1976	29.08.1948
Nationality	Indian	Indian	Indian
Date of Appointment on the Board	30.10.1990	01.10.1999	30.10.1990
Qualification	B.Com	B.com	D.E.E
Expertise	Jewellery Manufacturing & Marketing	Jewellery Manufacturing & Marketing	Administration & Production
Number of shares held in the Company	295558	344435	185156
List of Directorships held in other companies	Neverloose properties & Investment Pvt. Ltd.	NIL	Neverloose properties & Investment Pvt. Ltd.
Chairman/ Member of the Committee of the Board of Companies in which he is Director (other than Golkunda)	NIL	NIL	NIL

**DIRECTORS' REPORT**

To,
The Member/s,

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

The Directors' have pleasure in presenting their 24th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

PARTICULARS	2013-14	2012-13
Sales & Income from Operation	1,19,80,72,042	1,13,48,71,267
Other Income	50,000	37,350
Total Expenditure	1,09,30,51,880	1,07,96,25,006
Interest	2,41,67,666	3,01,34,953
Profit Before Depreciation and Taxation	8,09,02,496	2,51,48,658
Depreciation	21,97,140	26,73,404
Profit Before Taxation	7,87,05,356	2,24,75,254
Provision for Taxation	2,75,00,000	76,46,000
Prior Years Tax Adjustment	8,32,253	NIL
Deferred Tax	-1,26,964	-2,30,945
Profit After Taxation	5,05,00,067	1,50,60,199
Transfer to General Reserve	25,00,000	NIL

OPERATIONS:

The sales of the company have grown marginally by 5.6% to 119.81 crores while the profitability of the business has seen a significant improvement. The profit for the year increased from Rs 2.24 crores to Rs 7.87 crores, an increase of around 250 %. We focused on the year in improving our margins substantially which we achieved through better cost controls and value added products. In this very difficult export market scenario, the company has successfully consolidated its sales volumes in major markets. The company sees potential in its core markets and is aggressively making further inroads in these countries. We are investing in state of the art machines, technology for efficient operations to be able to retain our market share in our core product categories.

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 profitability, financial position of the Company, the Board of Directors of the Company have pleasure in recommending dividend @ of 5% i.e. Rs.0.50 per Equity Share of the Company.

DIRECTORS:

In terms of provisions of section 152(6) of the Companies Act, 2013 read with provisions of Articles of Association of the Company, Mr. Karan Singh Baid, Director of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment.

COMPANIES ACT, 2013:

The Ministry of Corporate Affairs has made a major part of the provisions of the Companies Act, 2013 effective from April 1, 2014. The new Companies Act, 2013 aims at enhanced disclosures and reporting for the corporate section with numerous compliance requirements.

Your Company is geared to implement and comply with the new requirements of law. As a beginning towards this, you Company constituted/re-aligned various Committees of the Board of Directors in accordance with the Provisions of Companies Act, 2013.

DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (AA) of the Companies Act, 1956 and provisions of Section 134(5) of the Companies Act, 2013 to the extent notified and made applicable, 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, 2014 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.
5. The directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively

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, (having FRN 100948W) present Statutory auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting. They have expressed their inability to continue for the next year and consequently do not seek re-appointment at the ensuing Annual General Meeting. Your Board recommends the appointment of M/s Motilal & Associates, Chartered Accountant (having FRN 106584W) as statutory Auditor of the Company. M/s Motilal & Associates, Chartered Accountant having furnished a certificate of their eligibility under section 139(1) of Companies Act, 2013.

AUDITORS OBSERVATION:

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

PARTICULARS OF EMPLOYEES:

Particulars of Employees within the meaning of the Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 read with the provisions of the Companies Act, 2013 and rules made there under to the extent notified and made applicable, 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 information required under section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988 and provisions of section 134 of the Companies Act, 2013 read with rules made there under to the extent notified and made applicable is as follows:

- | | |
|---|---|
| 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 31.03.2014 | |
| a) Earnings in foreign Currency | Rs. 1,12,12,39,002/- |
| b) Expenditure in Foreign Currency | Rs. 12,98,44,335/- |

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.

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

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.

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 31.03.2014.

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: 26.05.2014

**GOLKUNDA DIAMONDS & JEWELLERY LIMITED**

ANNUAL REPORT 2013-2014

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, 2014 is 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 Non-Executive Independent Directors.

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

During the financial year 2013-14, Seven (7) Board Meetings were held on 30.05.2013, 07.08.2013, 27.09.2013, 30.10.2013, 17.01.2014, 14.02.2014 and 18.03.2014.

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 28.09.2013
Mr. Kanti Kumar Dadha	Chairman & Managing Director Promoter	1	Nil	7	Yes
Mr. Karan Singh Baid	Whole Time Executive Director Promoter	1	Nil	7	Yes
Mr. Arvind Kumar Dadha	Whole Time Executive Director	Nil	Nil	7	Yes
Mr. Ashok Kumar K. Bekal	Independent Professional Non-Executive Director	1	Nil	4	Yes
Mr. Gautam Chand Dadha	Independent Non-Executive Director	Nil	Nil	4	Yes
Mr. Mangilal Maloo	Independent Non-Executive Director	Nil	Nil	4	Yes

d) Board Procedure

The Board of Directors is presented with all the relevant information on vital matters that affect working of the Company. It is ensured that information as required under clause 49 (IA) of the listing agreement is made available to the Board of Directors to enable them to discharge their function affectively.

**BOARD COMMITTEES****a) 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:

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

The Committee's Composition met with requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial / accounting expertise / exposure.

MEETINGS OF AUDIT COMMITTEE AND ATTENDANCE DURING THE YEAR

The Committee met 4 (Four) times during the year on the following dates viz. 30.05.2013, 07.08.2013, 30.10.2013, 14.02.2014.

Name of Director	No. of Meeting Attended
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.

b) NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors at its meeting held on 26th May, 2014 approved constitution of "Nomination and Remuneration Committee" (by renaming existing Remuneration Committee) under the Companies Act, 2013.

COMPOSITION

The Nomination and Remuneration Committee 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



There was no Remuneration Committee meeting held during the financial year 2013-14.

BRIEF DESCRIPTION OF TERMS OF REFERENCE

The Nomination and 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

The remuneration package of the Executive directors is determined by the Remuneration Committee within the permissible limits, subject to approval by the Board and Shareholders in the general meeting and as per applicable provisions of the Companies Act, 1956. The remuneration to Executive Directors comprises of basic salary, allowances, perquisites and commissions etc. The Remuneration Committee decides and recommends annual increments for executive directors within the limits stipulated by the Board of Directors/ Shareholders and other applicable approvals.

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 31.03.2014 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	Father of Mr. Arvind Dadha	1119456	0	0	9360	210086	1338902
Mr. Karan Singh Baid	Whole Time Director	-	1022580	0	0	9360	25230	1057170
Mr. Arvind Kumar Dadha	Whole Time Director	Son of Mr. Kanti Kumar Dadha.	1072240	0	0	9360	43125	1124725

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 31.03.2014:

Name of Director	No. of Board Meetings Attended	Sitting Fees Paid (in Rs.)
Mr. Mangilal Maloo	4	20,000/-
Mr. Gautam Chand Dadha	4	20,000/-
Mr. Ashok Kumar K. Bekal **	4	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. Karan Singh N. Baid retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re – election.

Pursuant the clause 49 VI (A) of the listing agreement, the Additional information and experience relating to the Directors who are getting appointed / re-appointed is furnished elsewhere in the Annual Report.

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. 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

19 meetings of the Shareholder's Grievance & Share Transfer Committee were held during the year 2013-2014.

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	5
Number resolved to the satisfaction of shareholders	5
Number of pending complaints	NIL

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

Year	Date	Time	Venue
2013	28 th September 2013	4.00 P.M .	Banquet Hall, Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2012	28 th September, 2012	4.00 P.M .	Banquet Hall, Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2011	29 th September, 2011	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

- No special resolutions were passed at the Annual General Meeting held on 28.09.2013.
- The Company has passed four Special Resolutions 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 three Special Resolutions 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.
- The Company has not passed any resolution through postal Ballot in the previous financial year.
- As on the date, the Company do not proposes to pass any special resolution through Postal Ballot. The Company may have to conduct the process of postal ballot in view of the requirements of the new Companies Act, 2013.

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 read with the General Circular 15/2013 dated September, 13, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- 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 st Quarter	30.06.2013	07.08.2013
2 nd Quarter	30.09.2013	30.10.2013
3 rd Quarter	31.12.2013	14.02.2014
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 2013-14 at the Board meeting held on 26.05.2014.		
Which newspaper normally published in	Free Press Journal and Navshakti	
Any Website, where displayed	www.golkunda.com	
Whether it also display official news releases	No	



GENERAL SHAREHOLDER INFORMATION

1.	Date, time and the venue of 24 th AGM	27th September, 2014 at 3.00 P.M. Suncity Residency Hotel, Eden – Hall, 16th Road, Masheshwari Nagar, MIDC, Marol, Andheri (E) Mumbai – 400 093				
2.	Financial Calendar	April 01, 2013 to March 31, 2014				
3.	Date of Book Closure	23rd September, 2014 to 27th September, 2014 (both days inclusive)				
4.	Dividend Payment Date	14th October, 2014				
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, 2014 on The Stock Exchange, Mumbai is as under:					
	Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No. of Shares
	April 2013	12.10	12.10	12.10	12.10	300
	May 2013	11.50	11.50	11.50	11.50	600
	June 2013	11.90	11.90	11.90	11.90	145
	July 2013	11.48	12.60	11.48	11.90	2601
	August 2013	11.90	11.90	11.31	11.50	1200
	September 2013	0	0	0	0	0
	October 2013	11.50	11.50	10.96	10.96	618
	November 2013	11.00	11.00	9.98	10.00	1845
	December 2013	9.62	9.52	9.62	9.62	198
	January 2014	10.00	10.01	7.80	7.80	4032
	February 2014	8.19	8.82	7.70	7.73	3839
	March 2014	7.50	8.67	6.70	6.70	14501
8.	Registrar & Share Transfer Agent	Sharex Dynamic (India) Private Limited (formerly known as M/s. Sharex (India) Pvt. Ltd.) Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072.				
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, 2014					
	No. of Shares Nominal Value	No. of Shareholders	% of Shareholders	Total Amount	% of Amount	
	1 to 5000	9401	96.06	12470160	17.91	
	5001 to 10000	259	2.65	2224500	3.19	
	10001 to 20000	58	0.59	937460	1.35	
	20001 to 30000	26	0.27	628650	0.90	
	30001 to 40000	14	0.14	505680	0.73	
	40001 to 50000	9	0.09	415260	0.60	
	50001 to 100000	8	0.08	551810	0.79	
	100001 and above	12	0.12	51907280	74.54	
	TOTAL		100	69640800	100.00	



11.	Dematerialization of Shares and liquidity	As on 31.03.2014, 84.75 % of the Company's Equity Shares representing 59,02,385 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.) Unit – 1, Luthra Industrial Premises, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai – 400 072. 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, 2014		
	Category	No. of Shares	% of total
	Promoter's holding	5036575	72.322
	Mutual Funds and UTI	0	0
	Financial Institution / Banks	100	0.001
	Foreign Institutional Investors	0	0
	NRIs / OCBs	549	0.008
	Companies / Bodies Corporate	108667	1.560
	Clearing Members	2928	0.042
	General Public	1815261	26.066
	Total	6964080	100.00

FOR AND ON BEHALF OF BOARD
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

CHAIRMAN AND MANAGING DIRECTOR
(KANTI KUMAR DADHA)

PLACE: MUMBAI
DATE: 26.05.2014



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. 1,12,50,58,799/- as compared to Rs. 1,11,62,84,749/- in the previous year. The Profit after tax in the current year increased to Rs. 5,05,00,067/- as against Rs. 1,50,60,199/- in the previous year.

Export performance and Foreign Exchange earnings:

The Company is making contribution to the foreign exchange earnings by the Country in view of the fact that the Export and Foreign exchange earnings stood at Rs. 1,12,12,39,002/- 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.

FOR AND ON BEHALF OF BOARD
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

CHAIRMAN AND MANAGING DIRECTOR
(KANTI KUMAR DADHA)

PLACE: MUMBAI
DATE: 26.05.2014



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, 2014 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: 26.05.2014



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 2014.

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: 26.05.2014

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, 2014 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 : 26th May, 2014.

**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, 2014, 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 notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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 presentation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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, 2014;
- 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 section 227(4A) 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, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of section 274 (1) (g) of the Act.

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

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

Mumbai, 26th May, 2014.



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) The fixed assets disposed off during the year, in our opinion, do not constitute substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
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 Company has an internal audit system commensurate with the 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, 2014 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, 2014 by the Company on account of dispute are given below:



Sr.	Name of the Statute	Nature of the dues	Amount	Period to which the amount Relates	Forum where dispute is pending
1.	Income Tax		8,83,181/-	A.Y. 2007-08	Income Tax Officer
2.	Income Tax		72,110/-	A.Y. 2009-10	Income Tax Officer
		Total Rs.	9,55,291/-		

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 loan 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, 26th May, 2014.



BALANCE SHEET AS AT MARCH 31, 2014

	Note No.	End of	
		Current Reporting Year	Previous Reporting Year
		March 31,	
		2014	2013
EQUITY AND LIABILITIES :			
Shareholders' Funds :			
Share Capital	2	69,640,800	69,640,800
Reserves and Surplus	3	133,506,406	87,080,151
		203,147,206	156,720,951
Non - Current Liabilities :			
Long Term Borrowings	4	298,745	639,795
Deferred Tax Liabilities [Net]	24	625,499	752,463
Long Term Provisions		4,092,952	3,405,283
		5,017,196	4,797,541
Current Liabilities :			
Short Term Borrowings	5	319,975,344	350,560,005
Trade Payables	6	51,756,633	105,651,593
Other Current Liabilities	7	3,122,335	3,423,487
Short Term Provisions	8	28,307,013	5,823,380
		403,161,325	465,458,465
	Total	611,325,726	626,976,957
ASSETS :			
Non - Current Assets :			
Fixed Assets :			
Tangible Assets	9	27,512,160	27,342,136
Intangible Assets		33,973	21,819
		27,546,133	27,363,955
Long Term Loans and Advances	10	710,219	936,122
		710,219	936,122
Current Assets :			
Inventories	11	171,558,012	55,418,212
Trade Receivables	12	377,247,382	505,972,179
Cash and Cash Equivalents	13	21,763,411	25,580,278
Short Term Loans and Advances	14	12,500,569	11,706,211
		583,069,374	598,676,880
	Total	611,325,726	626,976,957

Significant Accounting Policies and Notes to the Financial Statements 1 to 32

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) (C S PRIYA KHANDELWAL)
 Partner MEMBERSHIP NO. 33871
 MEMBERSHIP NO.: FCA 42975
 MUMBAI , May 26, 2014

KARANSINGH BAID
 Whole Time Director

ARVIND DADHA
 Whole Time Director



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

	Note No.	End of	
		Current Reporting Year	Previous Reporting Year
		March 31,	
		2014	2013
REVENUE :			
Revenue from Operations	15	1,198,072,042	1,134,871,267
Other Income	16	50,000	37,350
TOTAL REVENUE		1,198,122,042	1,134,908,617
EXPENSES :			
Cost of Materials Consumed	17	775,502,341	754,226,161
Purchases of Stock-in-Trade	18	249,499,106	203,060,499
Changes in Inventories of Finished goods	19	852,388	58,630,793
Employee Benefits Expense	20	33,682,069	33,724,810
Finance Cost	21	29,365,371	34,016,971
Depreciation	9	2,197,140	2,673,404
Other Expenses	22	28,318,271	26,100,725
TOTAL EXPENSES		1,119,416,686	1,112,433,363
Profit before Tax		78,705,356	22,475,254
Less / [Add] : Tax Expense			
Current Tax		27,500,000	7,646,000
Deferred Tax	23	(126,964)	(230,945)
Prior year's tax adjustments		832,253	-
Profit after Tax		50,500,067	15,060,199
Profit for the year from continuing operations		50,500,067	15,060,199
Earning per Equity Share [EPS] [in Rupees]	24		
Basic		7.25	2.16
Diluted		7.25	2.16
Significant Accounting Policies and Notes to the Financial Statements	1 to 32		

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) (C S PRIYA KHANDELWAL)
Partner MEMBERSHIP NO. 33871
MEMBERSHIP NO.: FCA 42975
MUMBAI , May 26, 2014

KARANSINGH BAID
Whole Time Director

ARVIND DADHA
Whole Time 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 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,	
	2014	2013
Note : 2 - Share Capital :		
Authorised :		
70,00,000 Equity Shares of Rs.10/- each	70,000,000	70,000,000
Issued, Subscribed and Fully Paid-up Equity Shares :		
69,64,080 Equity Shares of Rs.10/- each fully paid up	69,640,800	69,640,800
Total	69,640,800	69,640,800
i) The reconciliation of the number of Shares outstanding as at March 31, 2014 and as at March 31, 2013 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	3,921,111	3,916,268
% of Holding	56.305	56.235
Note : 3 - Reserve and Surplus		
Share Premium Account:		
Opening Balance	2,800,000	2,800,000
General Reserve		
Opening Balance	2,500,000	2,500,000
Add : Transfer from Surplus	2,500,000	
	5,000,000	2,500,000
Surplus in statement of profit & loss:		
Opening Balance	81,780,151	66,719,952
Add : Profit for the year	50,500,067	15,060,199
Less : Appropriations :		
Proposed Dividend	3,482,040	-
Corporate Dividend Tax on Proposed Dividend	591,773	-
Transfer to General Reserve	2,500,000	-
Balance as at year end	125,706,406	81,780,151
Total	133,506,406	87,080,151



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2014	2013
Note : 4 - Long Term Borrowings :		
Secured		
A. From HDFC Bank Ltd, Mumbai.	298,745	639,795
Total	298,745	639,795
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, 2014 for the loan under this head.		
Note : 5 - Short Term Borrowings :		
Secured Loans repayable on Demand :		
A. Post Shipment Credit from State Bank of India, Seepz, Mumbai.	164,358,900	285,844,349
B. Export Packing Credit from State Bank of India, Seepz, Mumbai.	155,616,444	64,715,656
Total	319,975,344	350,560,005
1 Securities for Loans :		
A Secured by hypothecation of inventories, receivables, Other Current Assets (present & Future) and personal guarantee of three Directors of the Company.		
B Secured by hypothecation of and equitable mortgage of office premises at Chakala and Bandra, Mumbai and personal guarantee of three Directors of the Company.		
C Secured by hypothecation of residential flat at Worli Division, Mumbai.		
D There are no continuous defaults in repayment of loan and interest thereon as on March 31, 2014 for all the loans under this head.		
Note : 6 - Trade Payables :		
Micro, Small and Medium Enterprises :		
Others	51,756,633	105,651,593
Total	51,756,633	105,651,593
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.		
Note : 7 - Other Current Liabilities :		
Unclaimed Dividends	309,175	310,025
Other Payables/Provision:		
Other Payables	2,572,494	2,930,388
Payable to Statutory Authorities	240,666	183,074
Total	3,122,335	3,423,487
Note : 8 - Short Term Provisions :		
Corporation Tax Payable (net of excess paid)	24,233,200	5,823,380
Proposed Dividend	3,482,040	-
Corporate Dividend Tax on Proposed Dividend	591,773	-
Total	28,307,013	5,823,380



Note : 9 - Fixed Assets

Nature of Fixed Assets	Gross Block			Depreciation			Net Block			
	As at 01-04-13	Additions During the year	Sales and / or adj. during the year	As at 31-03-14	Up to 31-03-13	For the year	On Sales and / or adj. during the year	Up to 31-03-14	As at 31-03-14	As at 31-03-13
Tangible Assets :										
Buildings	21,656,641	756,475	-	22,413,116	5,257,427	725,478	-	5,982,905	16,430,211	16,399,214
Plant & Machinery	15,538,465	32,000	80,000	15,490,465	9,611,096	734,751	80,000	10,265,847	5,224,618	5,927,370
Furniture and Fixtures	7,359,651	973,253	4,996	8,327,908	7,068,405	139,879	4,589	7,203,695	1,124,213	291,246
Factory/Office Equipments	1,328,591	202,831	15,102	1,516,320	542,587	62,104	4,155	600,536	915,784	786,005
Vehicles	3,302,112	462,280	687,500	3,076,892	953,794	266,606	317,796	902,604	2,174,288	2,348,318
Vault	144,180	46,557	-	190,737	67,515	7,443	-	74,958	115,779	76,665
Air Conditioners	1,913,686	132,084	53,500	1,992,270	957,062	92,953	25,767	1,024,248	968,022	956,624
Electrical Installations	2,451,418	156,881	-	2,608,299	1,995,780	117,075	-	2,112,855	495,444	455,638
Dies & Moulds	1,567,274	-	-	1,567,274	1,567,274	-	-	1,567,274	-	-
Computers	1,555,098	-	-	1,555,098	1,454,042	37,255	-	1,491,297	63,801	101,056
Sub-Total (A)	56,817,116	2,762,361	841,098	58,738,379	29,474,982	2,183,544	432,307	31,226,219	27,512,160	27,342,136
Intangible Assets :										
Computer Software	423,571	25,750	-	449,321	401,752	13,596	-	415,348	33,973	21,819
Sub-Total (B)	423,571	25,750	-	449,321	401,752	13,596	-	415,348	33,973	21,819
Total (A+B)	57,240,687	2,788,111	841,098	59,187,700	29,876,734	2,197,140	432,307	31,641,567	27,546,133	27,363,955
2012-13	56,075,265	1,165,422	-	57,240,687	27,203,328	2,673,404	-	29,876,732	27,363,955	28,871,937



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2014	2013
Note : 10- Long Term Loans and Advances : [Unsecured, Considered Good] Advances recoverable in cash or in kind or for value to be received : Income Tax	710,219	936,122
Total	710,219	936,122
Note : 11 - Inventories : Classification of Inventories : a Raw Materials b Traded Goods c Stores and Spares	170,572,587 - 985,425	53,467,114 852,388 1,098,710
Total	171,558,012	55,418,212
The Inventories are valued at lower of cost and net realisable value.		
Note : 12 - Trade Receivables : Unsecured, Considered good Over Six Months from the date they were due for payment Others	- 377,247,382	2,374,955 503,597,224
Total	377,247,382	505,972,179
Note : 13 - Cash and Cash Equivalents : Balances with Banks Cash on Hand FDR/TDRs with Bank	2,919,657 230,684 18,613,070	6,012,944 145,538 19,421,796
Total	21,763,411	25,580,278
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.	309,175 18,613,070 2,610,482	310,025 19,421,796 5,702,919
Note : 14 - Short Term Loans and Advances : [Unsecured, Considered Good] Security Deposit Advance recoverable in cash or kind Prepaid expenses Loans to employees Vat refundable Service Tax receivable	726,519 1,329,535 211,061 20,766 9,978,780 233,908	546,974 1,407,127 3,282,513 39,766 6,429,831 -
Total	12,500,569	11,706,211
Note : 15 - Revenue from Operations : Sale of Products Foreign Exchange Rate Difference	1,125,058,799 73,013,243	1,116,284,749 18,586,518
Total	1,198,072,042	1,134,871,267
Details of sale of products / operations of the Company are as under : a Finished goods b Traded goods	867,260,040 257,798,759	847,215,958 269,068,791
Note : 16 - Other Income : Other Operating Revenue Scrap Sale	50,000	37,350
Total	50,000	37,350



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2014	2013
Note : 17 - Cost of Materials Consumed :		
Raw Materials :		
Stock at commencement	53,467,114	50,945,748
Add : Purchases	892,607,813	756,747,527
	946,074,927	807,693,275
Less : Stock at close	170,572,586	53,467,114
Total	775,502,341	754,226,161
Details of Purchase of Raw Material are as under :		
a Gold	541,487,157	504,333,516
b Diamonds	349,246,642	248,072,309
c Others	1,874,014	4,341,702
Total	892,607,813	756,747,527
Value of Consumption of Raw Material		
a Indegenous	688,067,083	718,088,446
b Imported	87,435,258	36,137,715
Total	775,502,341	754,226,161
Note : 18 - Purchase of Stock-in-Trade :		
Purchase of Stock-in-Trade	249,499,106	203,060,499
Total	249,499,106	203,060,499
Note : 19 - Changes in Inventories :		
Stock at commencement		
Finished Goods	852,388	59,483,181
Total (A)	852,388	59,483,181
Stock at close :		
Finished Goods	-	852,388
Total (B)	-	852,388
(A-B)	852,388	58,630,793
Note : 20 - Employee Benefit Expense :		
Salaries, Wages and Bonus	31,694,834	31,879,140
Company's Contribution to Provident & Other funds	412,364	469,190
Gratuity	687,669	631,487
Staff Welfare Expenses	887,202	744,993
Total	33,682,069	33,724,810
Note : 21 - Finance Cost :		
Interest on Cash Credit Loan	24,167,666	30,134,953
Bank Commission & Charges	5,197,705	3,882,018
Total	29,365,371	34,016,971



	End of	
	Current Reporting Year	Previous Reporting Year
	March 31,	
	2014	2013
Note : 22 - Other Expenses :		
Consumption of Stores and spares parts	2,656,044	3,957,286
Power & Fuel	2,744,177	2,425,907
Water Charges	476,182	351,770
Rent	1,269,253	1,309,192
Repairs and Maintenance:		
Factory Buildings	588,578	364,798
Plant and Machinery	297,305	309,638
Computer	220,648	253,445
Others	699,516	857,257
Insurance & ECGC Premium	6,365,229	6,358,766
Audit Fees	85,000	85,000
Rates and Taxes	85,192	185,154
Traveling & Conveyance Expenses	1,339,169	1,244,991
Legal and Professional Fees	2,642,296	1,894,909
Printing & Stationery	262,606	323,704
Telephone & Postage	362,959	323,546
Marketing, Selling & Distribution Expenses :		
Advertisement & Sales promotion expenses	4,878,342	3,807,567
Commission on sales	1,427,003	534,291
Freight and forwarding	1,332,750	2,057,092
Sundry balance written off/(back)	130,579	(932,257)
Loss on sale of Assets	270,633	-
Miscellaneous Expenses	184,810	335,871
Share Issue Expenses Written Off	-	52,798
Total	28,318,271	26,100,725

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 ".

Note : 23 - Deferred Tax :

A The Net Deferred Tax Liability of Rs. 1,26,964/- [Previous Year : 2,30,945/-] for the year has been credited 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 31-03-13	INR - Charge for the year to Profit & Loss Account	As at 31-03-14
Deferred Tax Liabilities :			
Depreciation	1,883,697	69,760	1,953,457
Total	1,883,697	69,760	1,953,457
Deferred Tax Assets :			
Gratuity	1,131,234	196,724	1,327,958
Total	1,131,234	196,724	1,327,958
Net Deferred Tax Liability	752,463	(126,964)	625,499



Previous year	As at 31-03-12	Profit & Loss Account	As at 31-03-13
Deferred Tax Liabilities :			
Depreciation	1,984,645	(100,948)	1,883,697
Total	1,984,645	(100,948)	1,883,697
Deferred Tax Assets :			
Gratuity	1,001,237	129,997	1,131,234
Total	1,001,237	129,997	1,131,234
Net Deferred Tax Liability	983,408	(230,945)	752,463

Note : 24 - 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	
		2014	2013
A Profit after tax attributable to Shareholders	INR	50,500,067	15,060,199
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	7.25	2.16
E Diluted EPS	INR	7.25	2.16

Note : 25 - 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	2014	2013
i Shri. Kantikumar Dadha	Chairman & Managing Director	Remuneration & Perquisites	1,329,542	1,102,115
ii Shri. Karansingh Baid	Executive Director	Remuneration & Perquisites	1,047,810	889,050
iii Shri. Arvind Dadha	Executive Director	Remuneration & Perquisites	1,115,365	889,609

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	507,000	453,000
ii Mr. Ashish Dadha	Salary	910,498	752,500

Note : 26 - Contingent Liabilities and commitment to the extent not provided for :

	2014	2013
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 : 27 - Value of Imports calculated on CIF basis :

Raw Materials	129,536,656	24,343,099
Stores & Spare parts	307,679	379,388
Total	129,844,335	24,722,487



Note : 28 - Earning in Foreign Currency :			
Export at F.O.B. Basis		1,121,239,002	1,081,270,256

Note : 29 - Consumption of Store & Consumables	Reporting year ended March,31			
	2014		2013	
	%	Amounts	%	Amounts
	a Indigenus	91.27	2,424,300	87.30
b Imported	8.73	231,744	12.70	502,445
	100.00	2,656,044	100.00	3,957,288

Note : 30 - Expenditure in Foreign Currency :			
Travelling Expenses		374,717	227,156
	Total	374,717	227,156

Note : 31
Balances in respect of Unsecured Loans, Loans & Advances, Sundry Debtors & Sundry Creditors are subject to confirmation by respective parties.

Note : 32
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 32

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) (C S PRIYA KHANDELWAL)
Partner MEMBERSHIP NO. 33871
MEMBERSHIP NO.: FCA 42975
MUMBAI , May 26, 2014

KARANSINGH BAID
Whole Time Director

ARVIND DADHA
Whole Time Director



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	2013-14		2012-13	
	Rs.	Rs.	Rs.	Rs.
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax & Extra-ordinary Items		78,705,356		22,475,254
Adjustments for -				
Depreciation	2,197,140		2,673,404	
Interest Charged	24,167,666		30,134,953	
Loss on Sale of Fixed Assets	270,633		-	
Share Issue Expenses Written off	-		52,798	
Foreign Exchange Rate Difference	(73,013,243)		(18,586,518)	
		(46,377,804)		14,274,637
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		32,327,552		36,749,891
Adjustments for :				
Trade & Other Receivable	127,930,439		(130,600,696)	
Inventories	(116,139,800)		56,182,628	
Liabilities	(53,507,592)		26,530,878	
		(41,716,953)		(47,887,190)
Cash Generated from Operations		(9,389,401)		(11,137,299)
Interest Paid		(24,167,666)		(30,134,953)
Direct Tax Paid		(9,466,800)		(7,623,160)
Prior year's tax adjustments		(228,376)		-
Cash Flow Before Extra-Ordinary Items		(43,252,243)		(48,895,412)
NET CASH FROM OPERATING ACTIVITIES A		(43,252,243)		(48,895,412)
B CASH FLOW FROM INVESTING ACTIVITIES :				
Sale of Fixed Assets	136,804		-	
Purchases of Fixed Assets	(2,788,111)		(1,165,422)	
NET CASH USED IN INVESTING ACTIVITIES B		(2,651,307)		(1,165,422)
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	(30,925,710)		38,163,336	
Dividend paid	(850)		(1,700)	
Tax on dividend paid	-		-	
NET CASH USED IN FINANCE ACTIVITIES C		(30,926,560)		38,161,636
C FOREIGN EXCHANGE RATE DIFFERENCE D		73,013,243		18,586,518
Net Decrease in Cash and Cash Equivalents (A+B+C+D)		(3,816,867)		6,687,320
Opening Balance of Cash & Cash Equivalents		25,580,278		18,892,958
D Closing Balance of Cash & Cash Equivalents		21,763,411		25,580,278

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 26, 2014

(C S PRIYA KHANDELWAL)
MEMBERSHIP NO. 33871

KARANSINGH BAID
Whole Time Director

ARVIND DADHA
Whole Time Director



AUDITOR'S CERTIFICATE

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, 2014. 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 26, 2014



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 & Mang. Director
Dated: 26th May, 2014

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Registered Office : G/30, Gems & Jewellery Complex III, SEEPZ, Andheri (East), Mumbai - 400 096.
CIN : L36912MH1990PLC058729

ATTENDANCE SLIP

D.P.Id		Name and Address of Shareholder
Client Id Folio No.		
No. of Shares		

I hereby record my presence at the 24th Annual General Meeting of the Company at "SUNCITY RESIDENCY HOTEL, Eden – Hall, 16th Road, Masheshwari Nagar, MIDC, Marol, Andheri (E) Mumbai – 400 093" on 27th September, 2014 at 3.00 P.M.

Signature of Shareholder / Proxy

Note : Please fill up this attendance slip and hand it over at the entrances of the meeting hall. Members are requested to bring their copies of Annual Report to the Meeting.



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

Registered Office : G/30, Gems & Jewellery Complex III, SEEPZ, Andheri (East), Mumbai - 400 096.
CIN : L36912MH1990PLC058729

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the member (s) of _____ shares of Golkunda Diamonds & Jewellery Limited, hereby appoint.

1. Name _____ of _____ (address) having e-mail id _____ or failing him
1. Name _____ of _____ (address) having e-mail id _____ or failing him
1. Name _____ of _____ (address) having e-mail id _____ or failing him

And whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company to be held on 27th September, 2014 at 3.00 P.M. at "SUNCITY RESIDENCY HOTEL, Eden – Hall, 16th Road, Masheshwari Nagar, MIDC, Marol, Andheri (E) Mumbai – 400 093". and at any adjournment thereof in respect of such resolutions as are indicated below.

** I wish my above Proxy to vote in the manner as indicated in the box below.

Item No.	Resolutions:	For	Against
1.	Adoption of audited Financial Statements of the Company for the year ended 31st March, 2014 together with the Reports of the Board of Directors and Auditors thereon.		
2.	Declaration of Dividend on Equity Shares for the financial year ended 31.03.2014		
3.	Appointment of Mr. Karan Singh Baid, who retires by rotation and being eligible, offers himself for re-appointment.		
4.	Appointment of M/s. Motilal & Associates, Chartered Accountants as Statutory Auditors of the Company for a period of 5 years and to fix their remuneration		
5.	Appointment of Mr. B. K. Ashok as an Independent Director of the Company to hold office for a period of five years.		
6.	Appointment of Mr. Gautam Dadha as an Independent Director of the Company to hold office for a period of five years.		
7.	Appointment of Mr. Mangilal Maloo as an Independent Director of the Company to hold office for a period of five years.		



Item No.	Resolutions:	For	Against
8.	Re-appointment of Mr. Kantikumar Dadha as Managing Director for the period of three years.		
9.	Re-appointment of Mr. Arvind Dadha as a Whole Time Director for the period of three years.		
10.	Re-appointment of Mr. Karan Singh Baid as a Whole Time Director for the period of three years w.e.f. 10.11.2014.		
11.	Authority to Board of Directors to borrow money.		

Affix
Revenue
Stamp

Signed this _____ day of _____ 2014

Signature of Shareholder

Signature of first Proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes :

- 1) This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
- 2) A Proxy need not be a member of the Company.
- 3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- 4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- 5) Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.
- 6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

If Undelivered, Please return to:

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



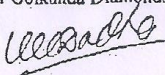
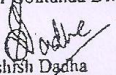

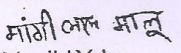
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

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 ST March, 2014
3	Type of Audit observation	Un - qualified
4	Frequency of observation	Not Applicable
5	To be signed by-	
	• CEO / Managing Director	For Golkunda Diamonds & Jewellery Ltd  Kanti Kumar Dadha (Chairman & Mang. Director)
	• CFO	For Golkunda Diamonds & Jewellery Ltd  Ashish Dada (Chief Financial Officer)
	• Auditor of the Company	For A.J.Baliya & Associates (Firm No. 100948W)  C.A. Mukesh P Mody (Partner) Membership No. 42975
	• Audit Committee Chairman	For Golkunda Diamonds & Jewellery Ltd  Mangil Maloo (Chairman, Audit Committee)