

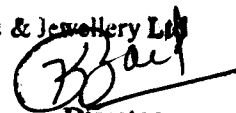


GOLKUNDA
DIAMONDS & JEWELLERY LTD.

13th ANNUAL REPORT 2002 - 2003

CERTIFIED TRUE COPY

For Golkunda Diamonds & Jewellery Ltd


Director



13th Annual Report 2002-2003

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

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

BOARD OF DIRECTORS : Kantil Kumar Dadha (Chairman & Managing Director)
Karan Singh Bald (Whole time Director)
Arvind Dadha (Whole time Director)
B. K. Ashok (Professional Director)
W.E.F 10-04-2003

BANKERS : State Bank of Indore.
: Bank of India.

AUDITORS : A.J. Ballya & Associates.
Chartered Accountants.
Mumbai.

WORKS : G-30, Gems & Jewellery Complex - III,
SEEPZ, Andheri (East), Bombay - 400 096.

DEMATERIALISATION OF SECURITIES : ISIN-INE798D1015

WEBSITE : www.golkunda.com <<http://www.golkunda.com>



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NOTICE

NOTICE is hereby given that the 13th Annual General Meeting of **GOLKUNDA DIAMONDS & JEWELLERY LIMITED**, will be held at "T.V. LAUNGE", Matoshri Art & Sport Club, Jogeshwarl - Vikhrolli Link Road, Andheri (E), Mumbai - 400 093 on 29th Aug. 2003, the Friday, 2003 at 2.00 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2003 and Profit & Loss Account for the year ended on that date together with report of the Board of Directors' and Auditor's Reports thereon.
2. To appoint a Director in place of Shri Karan Singh Baid who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 257 of The Companies Act, 1956 and Article 132(1) of the Articles of Association of the Company, a notice having been received in this respect, Mr. B. K. Ashok be appointed a Director of the company whose office shall be subject to retirement by rotation."

REGISTERED OFFICE :

By order of the Board
G-30, Gems & Jewellery
Complex-III,
SEEPZ, Andheri (East),
Mumbai - 400 096.

sd/-

Kanti Kumar Dadha
(Chairman & Managing Director)

Dated: 30th June, 2003.



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NOTES:

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

Proxy form duly completed must reach the registered office of the company not less than 48 hours before the meeting.

- (b) Explanatory statement as required by Section 173(2) of the Companies Act, 1956 in respect of the business under Item No. 4 as set out above is annexed hereto.

- (c) The Register of Members and Share Transfer Books of the Company will be closed from 26/8/2003 to 10/9/2003 (both days inclusive).

- (d) Members are requested to bring their attendance slip duly filled in for attending the meeting.

- (e) Members are requested to notify changes, if any, in their registered address immediately at the company's registered office.

proposing his candidature for appointment as a Director.

Your Directors therefore recommend passing the resolution.

None of the Directors are interested in the above resolution.

REGISTERED OFFICE :

G-30, Gems

By order of the Board
sd/-

& Jewellery

Complex-III, SEEPZ,

Andheri (East),

Bombay - 400 096.

Kanti Kumar Dadha
(Chairman & Managing Director)

Dated : 30th June, 2003.

EXPLANATORY STATEMENT U/s. 173 (2) OF THE COMPANIES ACT, 1956

Item no. 4.

The Company aims at infusing professionalism in the management. As a step towards this object, the Board of Directors have appointed Mr. B. K. Ashok, who is an experienced Advocate, on the Board of the Company with effect from 10th April, 2003. A notice has been received u/s 257 of the Companies Act,



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DIRECTORS' REPORT

To,
The Member/s,

The Directors' have pleasure in presenting their 13th Annual Report and Audited Statement of Accounts for the year ended 31st March, 2003.

FINANCIAL RESULTS

(Rs. in 'Thousand)
2002-2003 2001-2002

Sales & Income from Operations	1,78,871	40,590
Other Income	(1,074)	984
Total Expenditure	1,70,564	78,791
Interest	1,368	1,346
Profit before Depreciation and Taxation	5,865	(38,563)
Depreciation	1,422	1,472
Profit before Taxation	4,443	(40,035)
Provision for Taxation	Nil	Nil
Profit for the year	4,443	(40,035)
Balance carried to Balance Sheet	8,871	4,428

OPERATIONS

Your Directors have pleasure in informing you that despite the continuing depressed condition in the economy, the operations of your company for the financial year ended 31st March, 2003 have improved in terms of earning profit. The sales of the company have grown nearly four times to amount Rs.17,88,70,868/- as against Rs. 4,05,90,119/- for the previous year. Net profit for the year after depreciation and taxation amounts to Rs.44,42,811/- as against a loss of Rs.4,00,34,831/- during the previous year.

No tax Provision has been made for the year in view of there being no taxable income after considering tax deductible expenses and tax benefits arising on exports.

DIVIDEND

Considering the need to conserve funds for possible long term working capital requirements

In a falling economy, the Board of Directors do not recommend payment of dividend on equity shares.

FINANCE

The Company has continued enjoying credit facilities for its working capital requirements in the form of Packing Credit facilities and Post Shipment Credit facilities from State Bank of Indore.

DIRECTORS

During the year Shri Karan Singh Bald retires by rotation and is eligible for re-appointment.

Mr. B. K. Ashok was appointed as an Additional Director on Board of the Company on 10th April, 2003, with a view to induct independent Directors on the Board.

DIRECTOR'S RESPONSIBILITY STATEMENT

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

1. Save and except compliance of AS-15 & AS - 22, 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, 2003 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



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Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. These accounts have been prepared on a going concern basis.

FIXED DEPOSIT

The company has not accepted any fixed deposit under section 58A of the Companies Act, 1956, read together with the Companies (Acceptance of Deposits) Rules, 1975.

AUDITORS

M/s A.J. Ballya & Associates, Chartered Accountants, Statutory Auditors of the company, retire at the ensuing AGM. The said Auditors having furnished a certificate of their eligibility under Sec. 224(1B) of the Companies Act, 1956, are eligible for reappointment.

PARTICULARS OF EMPLOYEES

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

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

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

A. Conservation of energy The company is taking all possible steps to conserve resources in its operations.

B. Technology absorption N. A.

C. Foreign Exchange earnings and outgo
For the year ended 31.03.2003
(Rs. in Thousand)

a) Earnings in foreign Currency	1,49,614
b) Expenditure in Foreign Currency	22,258

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 Indore, the SEEPZ Authorities and all other stakeholders, during the year.

REGISTERED OFFICE :

G-30, Gems & Jewellery Complex-III, SEEPZ, Andheri (East), Bombay - 400 096.	By order of the Board sd/- Kanti Kumar Dadha (Chairman & Managing Director)
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INVESTORS SERVICES :

1) Dematerialisation of Securities.

In order to give better services to the share holders and investors in forms of stipulation imposed by the SEBI and Stock Exchange, the company has moved towards dematerialisation of securities. During the year, several members particularly Individual including small shareholders of the Company, availed the facility of dematerialisation of shares of the Company.

In case you have any queries or seek any clarifications with regard to the process of dematerialisation of securities or the functioning of Depository Participant (DP), you may contact at the Registered Office of the Company. The compliance officer present there would guide you through the process of opening an account and help to clarify your doubts regarding trading of securities in dematerialised form.

In order to facilitate better understanding of the process and to enable the investor to avail of this facility, the following points may be noted while lodging documents for transfer - cum - demat.

DOs

- ☐ Lodge documents for transfer together with request for simultaneous demat in favour of NSDL/CDSL.
- ☐ Specify at the time of lodgement, your desire for transfer - cum demat.
- ☐ Await the confirmation letter received from Company or M/S. SHAREX INDIA PVT LTD.
- ☐ Submit the confirmation letter received from Company OR M/S. SHAREX INDIA PVT LTD after transfer with your Depository Participant (DP) along with the Demat Request Form (DRF)
- ☐ Sign the DRF in the same manner as signed on the transfer deed submitted for transfer.

- ☐ Ensure that the DRF is submitted by you mentioning your Client ID where the names are in similar pattern as mentioned in the transfer deed.
- ☐ Mention the quantity of shares on the DRF that has been transferred as mentioned in the confirmation letter.
- ☐ Mention on the DRF the details of the distinctive numbers/ certificate numbers as given in the confirmation letter.
- ☐ Ensure that the demat request is generated and forwarded by your DP within the prescribed time as mentioned in the confirmation letter.

DON'Ts

- ☐ Lodge the documents for transfer with your DP.
- ☐ Submit the DRF without signature of all the joint holders
- ☐ Sign the DRF in a different pattern from the signature on the transfer deed.

If there is a delay in submitting the DRF to your DP, the physical certificates will be despatched by Company.

2) Nomination facility.

The Companies (Amendment) Act, 1999 has introduced through section 109A, the facility of nomination to share/debenture/deposit holders. This facility is mainly useful for all holders holding the shares/ debentures/ deposits in single name. In case where the securities/deposits are held in joint names, the nomination will be effective only in the event of the death of all the holders.

Investors holding shares in physical form may send enclosed nomination form to the Company at Registered office of the company. However, if the shares are held in dematerialised form, the nomination has to be conveyed to your depository participants directly, as per the format prescribed by them.



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A. Board of Directors:

- (i) The Board of Directors of the Company comprises of 4 Directors. The nature of the directorship of all the Director are as follows:

Mr. Kantil Kumar Dadha	Chairman Cum Managing Director
Mr. Karan Singh Bald	Whole Time Director
Mr. Arvind Dadha	Whole Time Director
Mr. B.K.Ashok	Independent Non-Executive Director

(ii) Board Meetings:

The Board of Directors and Committees thereof held 18 meetings during the year. The Board of Directors met 8 times during the financial year on 31st March, 2003.

(iii) Attendance of Directors:

	Number of meeting attended		Attendance at
	Board Meeting	Committee Meeting	Last AGM held on 30.09.2002
Mr. Kantil Kumar Dadha	8	18	✓
Mr. Karan Singh Bald	8	18	✓
Mr. Arvind Dadha	8	18	✓
Mr. B.K.Ashok	0	0	✓

B. GENERAL BODY MEETINGS:

Details of Annual General Meeting held during last three years:

Year	Venue	Date	Time
1999-2000	Motoshri Arts & Sports Club.	September 06, 2000	2.30 p.m.
2000-2001	Motoshri Arts & Sports Club.	September 26, 2001	3.00 p.m.
2000-2002	Motoshri Arts & Sports Club.	September 30, 2002	3.00 p.m.

Year	No. of Special Resolution passed	Date
2001-2002	Nil	September 30, 2002
2000-2001	Nil	September 26, 2001
1999-2000	Nil	September 06, 1999



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C. GENERAL SHAREHOLDER INFORMATION :

1	Annual General Meeting :	
	Schedule	Date : August 29, 2003 at 2.00 p.m.
	Venue	Matoshri Art & Sports Club, Jogeshwari-Vikhroli Link Road, Andheri (E), Mumbai 400 093.
2	Financial Calendar :	
		Results for quarter ending June 30 2002, last week of July, 2003
		Results for quarter ending September 30 2002, last week of October 2003
		Results for quarter ending December 31 2002, last week of January 2004
		Results for year ending March 31 2003, last week of April 2004
3	Book Closure Date :	August 26 to September 10, 2003 (both inclusive)
4	Dividend payment date :	All dividends, if declared, shall be paid within 30 days from the date of declaration i.e. Annual General Meeting.
5	Listing of equity shares on stock exchanges at :	(1) The Mumbai Stock Exchange (2) The Jaipur Stock Exchange
6	Stock Code :	23676 at Mumbai Stock Exchange
7	Demat ISIN Numbers In NSDL & CDSL for equity shares :	ISIN No. INE 798D01015
8	Registrar & Transfer Agent :	Sharex (India) Private Limited (formerly known as Hamco Share Registry Pvt. Ltd.) 17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai - 400 001
9	Share Transfer System :	At present, the transfer of shares are effected (If in physical form) within 12 to 15 days from the date of the receipt of the instrument effecting the transfer, subject to the instrument is valid and complete in all respect. However, the Company has offered the facility of transfer cum demat. Under this systems, after the transfer is being effected, an option letter is sent to the transferee indicating the details of the transferred shares and requesting him, if he wishes, to hold such shares in electronic form (Demat). If he wants his shares to be demated, he has to approach his Depository Participant (DP) with the option letter. The DP, based on the option letter, generates a demat request and send the same to the company along with the option letter issued by the company. On receipt of the same, the company dematerialises the shares. In case the transferee does not want the shares in electronic form, he need not exercise the option and the company will dispatch the share certificates after 30 days from the date of such option letter.