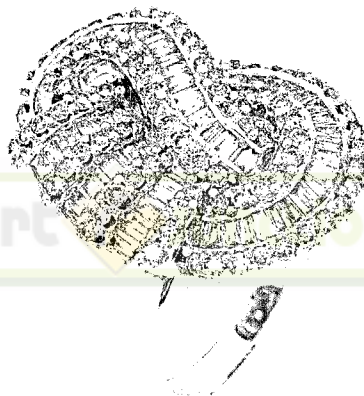




GOLKUNDA DIAMONDS & JEWELLERY LTD.



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19th Annual Report 2008-2009

For Golkunda Diamonds & Jewellery Ltd.

Director



GOLKUNDA DIAMONDS & JEWELLERY LIMITED

REGISTERED OFFICE

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

BOARD OF DIRECTORS

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

BANKERS

State Bank of Indore
Bank of India
Axis Bank Ltd.

AUDITORS

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

WORKS

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

307 / 308, Kapadia Industrial Estate,
Andheri Kurla Road, Chakala,
Andheri (East) Mumbai- 400 093.

DEMATERIALIZATION OF SECURITIES

ISIN-INE798D1015

WEBSITE

www.golkunda.com



NOTICE

NOTICE is hereby given that the **19th Annual General Meeting of GOLKUNDA DIAMONDS & JEWELLERY LIMITED**, will be held at "Banquet Hall", Matoshri Art & Sport Club, Jogeshwari - Vikhroli Link Road, Andheri (E), Mumbai - 400 093 on **29th September, 2009** at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and Profit & Loss Account for the year ended on that date together with report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Arvind Dadha, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Gautam Chand Dadha, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification/s, the following resolution as a Ordinary Resolution:

"RESOLVED THAT subject to provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the consent of the members be & is hereby accorded for re-appointment of Shri. Kanti Kumar Dadha as Chairman and Managing Director of the Company and payment of managerial remuneration, w.e.f. 1st October, 2009 for the period of five years, not exceeding basic salary of Rs. 1,00,000/- per month and payment of such other allowances, perquisites, performance bonus, ex-gratia, commission and benefits as per the rules of the Company, with liberty to the Board of Directors to determine such change in quantum that basic salary along with perquisites at no point of time exceeding the limit provided under Schedule XIII of the Companies Act, 1956 and on such terms and conditions as contained in the letter of appointment and terms & conditions as contained therein and reproduced in the explanatory Statement attached to the notice.

FURTHER RESOLVED THAT in the absence of any profit or inadequacy of profit in any financial year during the tenure of appointment, the remuneration payable to the aforesaid appointee shall be as per the limits prescribed in the Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time of the Companies Act, 1956 or as may be recodified. 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

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year of service, and

(c) Encashment of leave at the end of the tenure.

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

6. To consider and if thought fit, to pass with or without modification/s, the following resolution as Ordinary Resolution:

"RESOLVED THAT subject to provisions of Section 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the consent of the members be & is hereby accorded for re-appointment of Shri. Arvind Dadha as Whole Time Director of the Company and payment of managerial remuneration, w.e.f. 1st October, 2009 for the period of five years, not exceeding basic salary of Rs.1,00,000/- per month and payment of such other allowances, perquisites, performance bonus, ex-gratia, commission and benefits as per the rules of the Company, with liberty to the Board of Directors to determine such change in quantum that basic salary along with perquisites at no point of time exceeding the limit provided under Schedule XIII of the Companies Act, 1956 and on such terms and conditions as contained in the letter of appointment and terms & conditions as contained therein and reproduced in the explanatory Statement attached to the notice.

FURTHER RESOLVED THAT in the absence of any profit or inadequacy of profit in any financial year during the tenure of appointment, the remuneration payable to the aforesaid appointee shall be as per the limits prescribed in the Schedule XIII to the Companies Act, 1956 or within such ceiling limits as may be prescribed under Schedule XIII from time to time of the Companies Act, 1956 or as may be recodified. 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.

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

REGISTERED OFFICE:

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

By And On Behalf Of
The Board Of Directors
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

KANTI KUMAR DADHA
(Chairman & Managing Director)

Date: 30.06.2009

**NOTES:**

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

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

- (b) The Register of Members and Share Transfer Books of the Company will be closed from 25.09.2009 to 30.09.2009. (Both days inclusive).
- (c) Members are requested to bring their attendance slip duly filled in for attending the meeting.
- (d) Members are requested to notify changes, if any, in their registered address immediately at the Company's Registered Office.
- (e) The Company has code of conduct for all Board Members and Senior Management of the Company and is duly following the terms of the code in letter and in spirit.

REGISTERED OFFICE:

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

By And On Behalf Of
The Board Of Directors

GOLKUNDA DIAMONDS & JEWELLERY LIMITED

KANTI KUMAR DADHA

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 5 (Re-Appointment of Shri. Kanti Kumar Dadha as Managing Director)

Tenure of appointment of Shri. Kanti Kumar Dadha as Managing Director expires on 30th September, 2009. Having regards to the knowledge and experience in the 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 Shri. Kanti Kumar Dadha as Chairman and Managing Director of the Company w.e.f. 1st October, 2009 for the period of five years under section 269, 198, 309, Schedule XIII & other applicable provision if any under the Companies Act, 1956 as per following details. The re-appointment and remuneration has been approved by the Board of Directors and Remuneration Committee in their respective meeting held on 30th June, 2009.

Terms of Appointment

1. Remuneration: Not excluding Rs. 1,00,000/- Per Month.(with liberty to the Board of Directors to determine such change, in quantum that basic along with perquisites at no point of time exceeds the limit provided under Schedule XIII of the Companies Act, 1956.)



2. Shri. Kanti Kumar Dadha shall also be entitled for Performance Bonus and/ or Commission and / or Ex-gratia, if any as may be recommended by the remuneration Committee and within the ceiling limit authorized by the provisions of the Companies Act, 1956 viz. Section 309, 311, 198 or Schedule XIII.
3. Perquisites: Shri. Kanti Kumar Dadha shall also be entitled for the perquisites and allowances in addition to the remuneration mentioned herein above, which shall be restricted to an amount equal to the annual salary and the same shall be as hereinafter provided;

PART "A"

- (i) Housing: The Company shall provide unfurnished accommodation to the Managing Director. If no accommodation is provided, House Rent Allowance @ not exceeding 60% of monthly salary or as per Companies Rule as applicable to other employee whichever is more shall be payable to the Managing Director and he is also eligible for reimbursement of expenses/allowances for utilisation of gas, electricity, water & the same will be valued as per Income Tax Rule 1962.
- (ii) Medical Reimbursement: The Reimbursement of medical expenses incurred by the Managing Director for self and family subject to ceiling of one month's salary in a year or three months salary over a period of five years.
- (iii) Leave Travel Concession: Leave Travel Concession for the Managing Director and his family in a year in accordance with the Rules & Regulation of the Company.
- (iv) Personal Accident Insurance: Personal Accident Insurance of an amount of the annual premium of which does not exceed one month salary or Rs.15,000/- per annum whichever is lower.
- (v) Club Fees: Fees of Club subject to a maximum of two Clubs excluding Admission and Life Membership fees to the Managing Director.

PART "B"

- (i) Companies Contribution to Provident & Other Fund: Companies 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.
- (ii) Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of services.
- (iii) Leave Encashment: Encashment of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

- (i) Car: The Company shall provide Car with driver while on service.
- (ii) Telephone: Telephone facility at the residence of the Shri. Kanti Kumar Dadha for use of company's business. Reimbursement of telephone bills at residence and Mobile Phone with the condition that personal long distance calls should be logged and paid by him.



- (iii) Leave: Leave on full pay and allowance at the rate of one month for every eleven months of service.

and all other benefits, perquisites and amenities in accordance with rules of the company and as agreed by the Board of Directors subject to overall ceiling prescribed under Section 198, 309 Schedule XIII and other applicable provisions as may be applicable of the Companies Act, 1956 unless otherwise approved by the Central Government. The Company shall pay or reimburse the appointee for all the cost, charges, expenses that may be incurred by him for the purpose of the business of the Company.

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

4. Notwithstanding the remuneration payable to Shri. Kanti Kumar Dadha as detailed above, wherein any financial year during tenure of office of Shri. Kanti Kumar Dadha, the Company has no profits or its profits are inadequate the Company shall pay remuneration to Shri. Kanti Kumar Dadha by way of Salary, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 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.

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

The above may also be treated as an abstract of the terms of appointment of the Managing Director as required under Section 302 of the Companies Act, 1956.

The Directors recommend to the shareholders the adoption of the above resolution as contained in the notice. The copy of appointment letter as given to Shri. Kanti Kumar Dadha will be available for inspection to the members at the Registered Office of the Company between 11.00 A.M and 1.00 P.M. on any working day.

None of the Directors except Shri. Kanti Kumar Dadha and Shri. Arvind Dadha are deemed to be concerned or interested in the above resolution.

The Board recommends passing of the resolution by the members.

Item No. 6 (Re-Appointment of Shri. Arvind Kanti Kumar Dadha as Whole Time Director)

Tenure of appointment of Shri. Arvind Kanti Kumar Dadha as Whole Time Director expires on 30th September, 2009. 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 Shri. Arvind Kanti Kumar Dadha as Whole Time Director of the Company w.e.f. 1st October, 2009 for the period of five years under section 269, 198, 309, Schedule, XIII & other applicable provision if any under the Companies Act, 1956 as per following details. The re-appointment and remuneration has been approved by the Board remuneration committee in their respective meeting held on 30th June, 2009.

Terms of Appointment

1. Remuneration: not excluding Rs. 1,00,000/- Per Month.(with liberty to the Board of Directors to determine such change, in quantum that basic along with perquisites at no point of time exceeds the limit provided under Schedule XIII of the Companies Act, 1956.)
2. Shri. Arvind Kanti Kumar Dadha shall also be entitled for Performance Bonus and/ or Commission and / or Ex-gratia, if any as may be recommended by the remuneration Committee and within the ceiling limit authorized by the provisions of the Companies Act, 1956 viz. Section 309, 311, 198 or Schedule XIII.
3. Perquisites: Shri. Arvind Kanti Kumar Dadha shall also be entitled for the perquisites and allowances in addition to the remuneration mentioned herein above, which shall be restricted to an amount equal to the annual salary and the same shall be as hereinafter provided;

PART "A"

- (i) **Housing:** The Company shall provide unfurnished accommodation to the Whole-Time Director. If no accommodation is provided, House Rent Allowance @ 60 % of the monthly Salary or as per Companies Rule as applicable to other employee whichever is more, shall be payable to the Whole Time Director and he is also eligible for reimbursement of expenses/allowances for utilization of gas, electricity, water and the same will be valued as per Income Tax Rule, 1962.
- (ii) **Medical Reimbursement:** The Reimbursement of medical expenses incurred by the Whole time Director for self and family subject to ceiling of one month's salary in a year or three months salary over a period of five years.
- (iii) **Leave Travel Concession:** Leave Travel Concession for the Whole-Time Director and his family in a year in accordance with the Rules & Regulation of the Company.
- (iv) **Personal Accident Insurance:** Personal Accident Insurance of an amount of the annual premium of which does not exceed one month salary or Rs.15000/- per annum whichever is lower.

PART "B"

- i) **Companies Contribution to Provident and Other Fund:** Companies 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.



- ii) Gratuity: Gratuity payable at a rate not exceeding half a month's salary for each completed year of services.
- iii) Leave Encasement: Encasement of leave at the end of tenure will be permitted in accordance with the rules of the Company.

PART "C"

- i) Car: The Company shall provide Car with driver while on service.
- ii) Telephone: Telephone facility at the residence of the Shri. Arvind Kanti Kumar Dadha for use of Company's business. Reimbursement of telephone bills at residence with the condition that personal long distance calls should be logged and paid by him.
- iii) Leave: Leave on full pay and allowance, at the rate of one month for every eleven months of service.

and all other benefits, perquisites and amenities in accordance with rules of the company and as agreed by the Board of Directors subject to overall ceiling prescribed under Section 198, 309 Schedule XIII and other applicable provisions as may be applicable of the Companies Act, 1956 unless otherwise approved by the Central Government. The Company shall pay or reimburse the appointee for all the cost, charges, expenses that may be incurred by him for the purpose of the business of the Company.

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

- 4. Notwithstanding the remuneration payable to Shri. Arvind Kanti Kumar Dadha as details above, where in any financial year during tenure of office of Shri. Arvind Kanti Kumar Dadha the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Shri. Arvind Kanti Kumar Dadha by way of Salary, allowances, perquisites and other allowance as the case be, such amount not exceeding the limits prescribed in Schedule XIII of the Companies Act, 1956 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.

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

The Director recommended to the shareholders the adoption of the above resolution as contained in the notice. The Copy of appointment letter as given to Mr. Arvind Kanti Kumar Dadha will be available for inspection to the members at the registered office of the company between 11.00 a.m. to 1.00 p.m. on any working day.

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None of the Directors except Shri. Arvind Dadha and Shri. Kanti Kumar Dadha are deemed to be concerned or interested in the above resolution.

The Board recommends passing of the resolution by the members.

REGISTERED OFFICE:

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

By And On Behalf Of
The Board Of Directors
GOLKUNDA DIAMONDS & JEWELLERY LIMITED

KANTI KUMAR DADHA
(Chairman & Managing Director)

Date: 30.06.2009

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